

S. HRG. 107-1080

S. 633, AVIATION DELAY PREVENTION ACT

HEARING
BEFORE THE
SUBCOMMITTEE ON AVIATION
OF THE
**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION**
UNITED STATES SENATE
ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

MARCH 29, 2001

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ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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S. 633, AVIATION DELAY PREVENTION ACT

THURSDAY, MARCH 29, 2001

U.S. SENATE,
SUBCOMMITTEE ON AVIATION,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:15 a.m. in room SR-253, Russell Senate Office Building, Hon. Kay Bailey Hutchison, Chairwoman of the Subcommittee, presiding.

OPENING STATEMENT OF HON. KAY BAILEY HUTCHISON, U.S. SENATOR FROM TEXAS

Senator HUTCHISON. Good morning. This is the first hearing of the Aviation Subcommittee of this Congress, and I am very pleased to welcome all of you here. Today, our Subcommittee is considering legislation that will attempt to bring real relief to hundreds of millions of passengers who have been suffering through delays and cancellations in our passenger aviation system.

The Aviation Delay Prevention Act will reduce the red tape that communities must cut through to build runways, terminals, and airports. I would like to thank my colleague, the Ranking Minority Member of the Subcommittee, Senator Rockefeller, for working with me in co-sponsoring this legislation.

As many of you know, we have another bill that attempts to address the issue of requiring that airlines give notice when flights are chronically late. What we are trying to deal with in the bill before us today is fixing the problems with passenger treatment, so that we do not have to give notice of cancellations and delays.

Many of you in this room are frequent flyers. If you are, you have your own personal horror story. I assure you, I can match you one for one. In fact, 27 percent of the scheduled flights last year in this country were delayed or canceled.

The length of the average delay has also increased, despite the fudge time that is built into most flights now by airlines to compensate for the delays they know will occur. Most delays are occurring on the ground. According to the FAA, 83 percent of the total delay time at 55 major U.S. airports during the first 11 months of 2000 happened on the ground: 49 percent during gate departure; 26 percent during the taxi out; and 8 percent during the taxi in.

Not coincidentally, the number of annual air travelers is also rising. 674 million people flew through U.S. airports in the year 2000. The FAA now says that number will increase to over a billion by the end of this decade, so of course we must deal with this issue. There has not been a commensurate increase in the number of

aviation facilities. Only one major airport has been built in this country in the last 10 years—Denver. Only a handful of new runways and terminals have been completed to deal with the demand, each taking from 10 to 30 years from inception to build. The process for making capital improvements to existing airports is painfully slow, and easily thwarted by well-organized groups who delay a new runway until it becomes impossibly expensive or too much trouble to build. Unless we significantly expand the capacity of our airport systems, we will not be able to meet the growing demand for air travel.

The cost to American productivity from millions of hours lost while sitting on an airport tarmac is incalculable. Fixing the problem will call for more infrastructure and better air traffic control facilities. We must face the challenge now so these new runways and terminals can be ready before there is a further crisis.

Until now, most of the focus in Congress has been on passenger service. This bill instructs the Secretary to develop a procedure to ensure that the approval process for runways, terminals, and airports is streamlined. Federal, State, regional and local reviews will take place simultaneously, not one after the other. In no way would environmental laws be ignored or broken. It simply provides the community with a reasonable time-line to get an answer. If the answer is no, the region is free to explore other transportation options.

The Aviation Delay Prevention Act also addresses the unfortunate practice of airlines overscheduling at peak hours. At many airports, these schedules are so densely packed that even in perfect weather conditions throughout the country there is no way the airlines could possibly meet them. The result is chronically late flights. The bill directs the Secretary to study the busiest airports and to make recommendations to reduce congestion and overscheduling.

Any such program would have to be imposed with a sensitivity toward smaller communities and the maintenance of aviation links to the rest of the country. This legislation also grants the airlines a limited antitrust exemption so that they can consult with one another, subject to the Secretary's approval, to reschedule flights from the most congested hours to off-peak times.

We have all experienced flights that push away from the gate only to languish for hours on the tarmac waiting to take off. The current system logs these flights as on-time departures. The legislation before us today would change the definition of on-time departure to mean that the flight is airborne within 20 minutes of its scheduled departure time. Our national economic health depends on the reliability of our aviation system. If we fail to act now, that reliability will be placed in serious jeopardy.

I would now like to call on the Ranking Member of the Aviation Subcommittee, Senator Rockefeller.

**STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA**

Senator ROCKEFELLER. Thank you, Madam Chairwoman. You have expressed not only the purposes of the bill very well, but also reflected on what pleased me a great deal, and that was our ability

to work together to craft a bill that could be useful, and I like that. We talk about bipartisanship, and sometimes we practice it.

Senator HUTCHISON. Well, we certainly all have had the same experiences within our smaller communities of not being served well, and the frustration of delays. So I think we can certainly put aside any differences and go forward together.

Senator ROCKEFELLER. I agree. This bill does a lot and, as the Chairperson indicated, one of the things that has to be addressed is congestion. It is amazing to me to think that in New York you have basically four airports, Newark, LaGuardia, JFK, and Teeterboro, and Teeterboro has a heavier flight load than LaGuardia. There is this enormous congestion problem, and the question is, all across the country, how do we face up to it, what do we do about it in a way which can be equitable, from the point of view of those of us who come from rural States.

The bill reflects all of these things and more. We want to make sure that the air traffic control system is done well. We want to make sure that the chief operating officer is paid in a way that we can get a top professional, something which Jane Garvey very much wants. As the Chairperson said there has been very little activity.

There are a lot of places waiting, Detroit, Minneapolis-St. Paul, Houston, Orlando, Miami, Charlotte are all waiting to go forward. They are also waiting for the merger to be completed involving United. Chip Barclay, who sits yonder, says that what we really need is 50 miles of new runways in this country, and if we had 50 miles of new runways we could solve most of our problems. I think he is probably right.

The problem is, how do you get them built? One of the things that this bill addresses is the cooperation at different levels to speed up the process wherein runways are built once they have been authorized or approved. We want, in a fair way, to reduce that amount of time and not hurt anybody's rights. I think this bill will do that effectively.

This will be difficult to do, because as Senator Hutchison indicated, a lot of these delays are due to weather, and that we cannot control. What we can control we need to do something about. Even when we have bad weather we should be able to handle our system better than we do. That is what this bill is intended to do. I am very proud to co-sponsor this bill with you, Senator Hutchison, and I look forward to working this through the Subcommittee, and I thank you.

Senator HUTCHISON. Thank you, Senator Rockefeller, for working with me on the bill. I look forward to working with others on the Committee to have a markup soon, because I do hope that we can address the issue of notification. Notification was in the previous bill that we marked up, and the bill that I think will do the most to address the real cause of the delays. I hope we can do them together on the floor, so that we have a short-term and a long-term improvement.

Senator Wyden.

**STATEMENT OF HON. RON WYDEN,
U.S. SENATOR FROM OREGON**

Senator WYDEN. Thank you, Madam Chairwoman, and I look forward very much to working with you and Senator Rockefeller.

We worked very cooperatively on the passenger rights issue, and I think we can do that in this area as well.

I think you and Senator Rockefeller are absolutely right on this matter of coordinating various reviews that take place at the Federal and State and local levels with respect to constructing runways. What we have seen, and you see it with roads as well as airlines, is that you try to construct a project, and people huff and puff for years to get it done. Then at the last minute, somebody comes in and files a National Environmental Policy Act objection, and that drags it out for years and years. So I think what you and Senator Rockefeller are doing by way of saying, let us do this concurrently so that every step along the way you seek to tie the development effort to the question of the environmental reviews is just common sense. I am very anxious to work with you on it, and I think it is the next logical and practical step to be taking at this time.

The one area that I am concerned about in the bill is the provision on page 4 with respect to the limited exemption from the antitrust laws. It seems to me what you all are looking at, I am certain, has a constructive thought behind it. I am not against that in any way, but I think the idea that the airlines could go behind closed doors and start talking about varied and sundry things about which the public knows nothing would really encourage a great deal of cynicism.

We might hear from the AG and GAO about this. Perhaps with respect to that section we could even require that it be done in public, or in the open, so that there would be some effort to make sure that people didn't think they were behind closed doors. I think that is important, because on the overscheduling issue, the airlines do not have a gun at their heads, and there is no legal requirement that they promise more than they can deliver. They do it because they think it is to their advantage.

We have tried on a bipartisan basis to deal with that on the passenger rights issue, and we worked cooperatively on it. I think we can work together in this area as well. I look forward to working with you and Senator Rockefeller in the fashion that we did on passenger rights, a good bill, and express only my concern about the exemption from antitrust laws.

Senator HUTCHISON. Well, Senator Wyden, we would be happy to work with you on that. The Department of Transportation is required to have a representative in the meetings, so it is not as if they are behind closed doors with no public representative. What we are trying to do is create leeway for them to give and take on these peak hour take-offs. All of us have looked on those monitors, seen 14 flights listed as taking off at 8:15, and known it could not happen.

There could be a recommendation by the Secretary that would either charge fines for using that time slot, or charge more for take-off slots, or give rewards to people who would move from the peak hour to an off-peak hour. We are looking for alternatives, and cer-

tainly look forward to working with you to do the right thing—but to give as much leeway as we can to the airlines for these overscheduling issues.

Senator Fitzgerald.

Senator FITZGERALD. I have no opening statement, Madam Chairwoman.

Senator HUTCHISON. Senator Stevens.

Senator STEVENS. Thank you very much. I do not have an opening statement. I will have an amendment to this bill later on, but we will get to that later.

Senator HUTCHISON. Thank you.

With that, I would like to introduce our first panel. I will start with Susan McDermott, who is the Acting Assistant Secretary for Aviation and International Affairs of the Department of Transportation.

STATEMENT OF SUSAN McDERMOTT, DEPUTY ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS, DEPARTMENT OF TRANSPORTATION

Ms. McDERMOTT. Good morning, Chairwoman Hutchison, Senator Rockefeller, and Members of the Subcommittee. I am Susan McDermott, the permanent Deputy, but current Acting Assistant Secretary of the Office of Aviation and International Affairs for the Department of Transportation.

Senator ROCKEFELLER. Could you pull the mike just a little bit closer?

Ms. McDERMOTT. Certainly.

Senator ROCKEFELLER. Thank you.

Ms. McDERMOTT. The Department appreciates the opportunity to appear today to discuss ways to better manage congestion and delays at our Nation's largest airports. Madam Chairwoman, Secretary Mineta asked that I convey his personal thanks to you and to the Members of the Subcommittee for your strong commitment to looking at steps that might be taken to reduce aviation congestion. Although the Administration has not yet taken a formal position on the specific legislation that is the subject of today's hearing, we look forward to working with the Subcommittee and others on this vital issue.

The congestion problem is not really a single problem, but the result of multiple factors that have placed significant stress on our aviation system. Finding the solution will not, therefore, come all at once or from a single measure. We need to build more aviation capacity, and that will not happen overnight. At the same time, fixing our capacity problem is not the work of the Government alone. The airline industry must step up to the plate, and we must similarly work closely with airports who are responsible for many elements of the capacity equation.

Congestion and delays have a very real and significant impact on the traveling public, and the public is rightfully impatient for improvements. Because of the multiple and varied causes for delays, we know they can never be entirely eliminated. Nevertheless, the level of delays that was experienced last summer is unacceptable.

As you noted in your opening statement, Madam Chairwoman, the FAA has recently announced at its forecast conference that the

number of passengers on U.S. airlines is expected to hit 1 billion by the year 2010. Now, we face the stiff challenge, and the operative word is now, of providing the necessary capacity to match that demand and to do it safely. At the same time, we must work to ensure that our existing infrastructure is used as efficiently as possible.

The Administration has made clear in its budget request for 2002 that action is needed now. That budget will fully fund the FAA's air navigation needs, personnel costs, and increased funds available for airport grants. Indeed, Congress itself set in motion the funding mechanisms for this initiative in the Wendell Ford Aviation Investment Reform Act of the 21st Century.

Looking, however, more to short-term improvement, I note that in light of the flight delays our Nation experienced in 1999, the FAA recognized that it needed to establish a collaborative planning process between the agency and the users of the Nation's air space system. It is called the Spring-Summer Plan.

Last year was difficult, to be sure, but the Secretary believes it would have been twice as bad without this collaborative process in place. Last fall, the FAA and the airlines reviewed their performance of the previous spring-summer, what worked for them, what didn't work, and they have made a number of changes in terms of procedures and increased training that should substantially improve the performance of the system.

Still, of course, more needs to be done, and the Administration is developing a detailed position on the best approach to relieving congestion, and we are looking at all options. For example, a market-based approach such as congestion pricing represents one way to encourage air carriers to use limited capacity more efficiently.

At the same time, however, it raises important equity issues for passengers in communities that are served on less-traveled routes. For this reason, the feasibility and the effectiveness of using any market-based approach must be studied carefully, and with full public participation.

In addition, as Secretary Mineta recently stated, the Department is looking into options for expediting the environmental review process for airport capacity enhancement projects without compromising environmental protection and concern for public sensitivity about noise, air, and water quality, and other natural resources.

The Department is completing an environmental streamlining report to Congress requested in AIR 21 last year, and Secretary Mineta will use this as the basis for discussions.

One key to navigating the environmental review process is to get the appropriate Federal and State environmental safeguards identified early, and built in as the project progresses. Slow decision-making does not translate into better environmental results. Local cooperation is a key component to speeding the environmental process, and local officials must be our active partners in this effort if we are to make significant progress.

In closing, the Department wants to thank you for your initiative in acting quickly to address these problems, and to assure you that the Department places a high priority on presenting its proposals for action.

This completes my oral statement, Madam Chairwoman, and I would be pleased to respond to questions from you or other Members of the Subcommittee.

Thank you.

[The prepared statement of Ms. McDermott follows:]

PREPARED STATEMENT OF SUSAN McDERMOTT, DEPUTY ASSISTANT SECRETARY FOR
AVIATION AND INTERNATIONAL AFFAIRS, DEPARTMENT OF TRANSPORTATION

Senator Hutchison, Senator Rockefeller and Members of the Subcommittee: I am Susan McDermott, the Deputy Assistant Secretary for Aviation and International Affairs at the Department of Transportation (DOT). The Department appreciates the opportunity to appear today to discuss ways to better manage congestion and delays at our Nation's largest airports.

Senator Hutchison, Secretary Mineta asked that I convey his personal thanks to you and to the Subcommittee for your strong commitment to looking at steps that might be taken to reduce aviation congestion. Although the Administration has not yet taken a formal position on the specific legislation that is the subject of today's hearing, we look forward to working with the Subcommittee and others on these vital issues.

The congestion problem is really not a single problem, but is the result of multiple factors that have placed significant stress on our aviation system. Finding the solution will not, therefore, come all at once or from a single measure. We need to build more aviation capacity—and that will not happen overnight. At the same time, fixing our capacity problem is not the work of the government alone. The airline industry must step up to the plate, and we must similarly work closely with airports, who are responsible for many elements of the capacity equation.

Congestion and delays have a very real and significant impact upon the traveling public. And the public is rightfully impatient for improvements. There are many conditions that can cause delays: bad weather, inoperable runways, airport capacity limitations, aircraft equipment problems, airline maintenance and flight crew problems, and air traffic equipment outages. Because of the multiple and varied causes for delays, we know they can never be entirely eliminated. Nevertheless, the level of delays that was experienced last summer is unacceptable. It is the job of the Department of Transportation, airlines and airports to work together to reduce delays to the greatest extent possible, without compromising safety.

In the year 2000, some 600 million passengers flew on U.S. airlines, a 50 percent increase in just 9 years. And, as announced at the FAA's recent aviation forecast conference, the number of passengers on U.S. airlines is expected to hit one billion by the year 2010. Now we face the stiff challenge of providing the necessary capacity to match that demand. And do it safely.

The Administration has made clear in its Budget Request for 2002 that action is needed now. Our Budget will fully fund the FAA's air navigation needs, personnel costs, and increased funds available for airport grants. Congress set in place the funding mechanisms for this initiative in the Wendell H. Ford Aviation Investment Reform Act for the 21st Century.

In light of the flight delays our Nation experienced in 1999, the FAA recognized that it needed to establish a collaborative planning process between the agency and the users of the Nation's airspace system. Consequently, the Spring/Summer 2000 plan was established for severe weather operations.

The heart of this plan is a process called "collaborative decisionmaking." It represents a fundamental change in the way the FAA has been doing business—centralizing much of their air traffic management planning, their coordination and their decisionmaking at the FAA system command center in Herndon, Virginia.

The key to the whole process is the real-time collaboration with the airlines to manage their operations in severe weather conditions. Last year was difficult, to be sure, but the Secretary believes it would have been twice as bad without this collaborative process in place.

Last fall, the FAA and the airlines reviewed their performance of the previous spring and summer—what worked and what didn't—and they have made a number of changes in terms of procedures and increased training that should substantially improve the performance of the system. To date, more than 3,000 people—FAA controllers, FAA supervisors, airline dispatchers and operations personnel, as well as pilots, have completed training on the Spring/Summer 2001 plan.

Still, more needs to be done. As the Administration is developing a detailed position on the best approach to relieving congestion, we are looking at a range of approaches.

For example, a market-based approach, such as congestion pricing, represents one way to encourage air carriers to use limited capacity more efficiently. At the same time, however, it raises equity issues for passengers and communities that are served on less traveled routes. For this reason, the feasibility and effectiveness of using any market-based approach must be studied carefully with full public participation.

As Secretary Mineta recently stated, the Department is looking into options for expediting the environmental review process, without compromising environmental protection and concern for public sensitivity about noise, air and water quality, and other natural resources. The Department is completing an environmental streamlining report to Congress requested in AIR 21, and Secretary Mineta will use this as a basis for discussions about how to streamline the process.

One key to navigating the environmental review process is to get the appropriate Federal and State environmental safeguards identified early and built in as the project progresses. Slow decisionmaking does not translate into better environmental results. However, local cooperation is a key component of speeding the environmental process and local officials must be our active partners in this effort if we are to make significant progress. That means, for example, that we have to continue to reduce the problem of aircraft noise and deal with local problems of surface traffic congestion and air pollution near airports.

In closing, I want to thank you for your initiative in acting quickly to address these problems and to assure you that the Department of Transportation places a high priority on presenting its proposals for action.

This completes my prepared statement, Madam Chairwoman. I would be pleased to respond to any questions from you and Members of the Subcommittee.

Senator HUTCHISON. Thank you, Ms. McDermott.

Mr. Edward Merlis, the Senior Vice President for Government and International Affairs of the Air Transport Association.

STATEMENT OF EDWARD A. MERLIS, SENIOR VICE PRESIDENT, LEGISLATIVE AND INTERNATIONAL AFFAIRS, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. MERLIS. Thank you, Madam Chairwoman and Members of the Subcommittee. I appreciate the opportunity to appear before you to discuss what needs to be done to get the delay problem under control. It is just as frustrating to the airlines as it is to you, our employees, and our passengers, that the safe, fast, frequent and efficient air transportation system that we want is currently plagued by delays.

We believe it is necessary for this Subcommittee and others to take bold steps to resolve the airport and air space capacity issues that face the country. We feel that the legislation you and Senator Rockefeller have introduced is an important step in guiding us down the correct path. Simply stated, our aviation system's three components of capacity, airlines, air traffic control, and airports, are out of sync, and consequently are not meeting the needs of the traveling and shipping public.

It is not as though we did not know this was going to happen. 10 years ago, the FAA predicted with remarkable accuracy the now current level of demand for air transportation, but over the 10 years we have not done enough to keep the three pieces of capacity in equilibrium.

Frustrating as things are today, the FAA's recent forecast anticipates more than 1 billion passengers by the turn of the decade, so the question is, what are we going to do about it? We certainly cannot stand by and let our aviation system and, indeed, our economy wither. We must take decisive and bold steps to address the shortfalls in our national aviation system.

Our national leaders, this institution, the Administration, and the aviation industry, must lift this issue to a national priority similar to what the Nation did in the 1950s with our national highway system, and ultimately make the tough decisions that need to be made. There is no other acceptable choice. The public is demanding and deserves a more efficient air transportation system.

My written statement comments on specific provisions of your bill, and we look forward to working with you on this. Rather than going over those details, I would like to identify what we believe in general must be done. First, as I mentioned, we need to have the will to proclaim expansion of our aviation system as a national priority. It is not any accident that the United States, which holds less than 5 percent of the world's population and generates roughly 25 percent of the world's economic activity, is home to almost 50 percent of the world's aviation activity. If we want to keep it this way, we must invest time, energy, money, and commitment to expanding the system.

Now, some have suggested that we need to manage the public's demand for aviation services. We say no. Demand management is an admission of failure, an abdication of responsibility, and a sure-fire way to shrink our economic prosperity.

The question really arises, how much demand management do we need nationwide? There may be some localities where this does arise, but if Secretary Mineta's announcement on Tuesday of changes in handling aircraft during adverse weather, which we know was the source of 70 percent of delays, comes to pass, I think that we will see tremendous delay mitigation this summer. By allowing aircraft to launch, instead of imposing ground stops, pilots will be able to thread through or divert their way around adverse weather in the en route environment, which they have not been able to do for the last several years, due to the way that the system has been handled.

In any case, once we have established this national priority, what we need to do is the following: expedite the review and redesign of our air space. We know it can handle more traffic safely. Let us put the resources into the effort to accomplish the goal, and that means hiring more controllers, too.

Second, we need to prioritize and expedite the deployment of air traffic control technologies that have the potential to bring about safe, increased utilization of the aviation system.

Third, we need to identify the airport capacity that will provide significant benefits to the traveling and shipping public, streamline the planning, environmental and construction processes, and get those places fixed.

Madam Chairwoman, this is not a time for timid responses, tinkering around the edges, or wringing our hands. It is time to make very tough decisions, and these decisions are needed and hopefully they will be the right decisions. Your legislation and Senator Rockefeller's is an important starting place, an excellent starting place, and we look forward to working with you to fulfilling that goal. The American people want it, the U.S. economy needs it.

Thank you very much.

[The prepared statement of Mr. Merlis follows:]

PREPARED STATEMENT OF EDWARD A. MERLIS, SENIOR VICE PRESIDENT, LEGISLATIVE
AND INTERNATIONAL AFFAIRS, AIR TRANSPORT ASSOCIATION OF AMERICA

Good morning, Madam Chairwoman and Members of the Subcommittee. I am Edward Merlis, Senior Vice President of the Air Transport Association of America (ATA).¹

Simply stated, our aviation system's three components of capacity—airlines, air traffic control, and airports—are out of synch and consequently are not meeting the needs of the traveling and shipping public. Each is under the control of very different forces. Yet, at the end of the day, all of the components must work together harmoniously, if we are to have a smoothly functioning aviation system.

By any measure—available seat miles, enplaned passengers, aircraft departures, number of aircraft etc.—airlines are making available more to the traveling and shipping public, and concurrently the traveling and shipping public is using our services more. In the past 10 years² we have made 25 percent more seat miles available, on 23 percent more flights, yet the traveling public has purchased even more—33 percent more. As a result, planes are more crowded—71 percent of our seats are filled—than at any time since World War II.

This should come as no surprise to anyone in the aviation community or indeed, to the public at large. We have known what the demands on the system would be for quite some time. Ten years ago (February 1991) the FAA Aviation Forecast for Domestic Traffic projected some 678.4 million passengers for fiscal year 2000. When the final data for 2000 is compiled, we will see that the FAA's aviation forecast was remarkably accurate.

So with almost 10 years of lead time, how could we find ourselves in the current situation? There are many pieces of the problem, but let's examine each component's contribution.

Airlines: The airlines' contribution to the delay problem is more frequent service to communities large and small, and has been somewhat exacerbated as a consequence of acquiring regional jets. These aircraft, for which the number purchased or on order exceeds 1200 at this time, can fly longer distances, with greater payloads than the turbo props that they are replacing—and they respond to the long expressed desires of customers in more modest sized communities to receive pure jet service. However, since they fly in airspace used by larger jets, they add to congestion.

Air Traffic Control: The second component of the capacity equation is the air traffic control system. This Subcommittee knows full well the problems in developing, acquiring, deploying and staffing an air traffic control system capable of meeting the public's demand for safe air transportation. Suffice it to say means need to be found to accelerate dramatically the innovations which are in the pipeline. Otherwise, previous summer's problems will not be ameliorated to the satisfaction of anyone—the airlines, our customers, or the Congress. Appended to this statement is an industry prepared top ten list of most important ATC-related programs that can be implemented over a 5-year period and which would result in real national aviation system capacity improvements.

We would also note, and applaud, the important near term contribution to delay prevention Secretary Mineta made on Tuesday. He called upon air traffic controllers, who now have greater access to weather data, to reduce ground stops, allow flights to take off, and permit pilots to navigate around storms. Clearly this is a safe and efficient way of dealing with our near term problem, and the air traffic controllers union has agreed to this procedure. I think it is safe to say that if properly and promptly implemented, this step holds more promise for delay reduction this summer than any other initiative that could be undertaken.

The third component of the problem is airport capacity. You have heard the data—12 major airports account for 51 percent of all delays. Since 1974, when Dallas/Fort Worth International Airport opened, only four new air carrier airports have opened. Between 1995 and this fall, only eight new runways have opened, at the top 100 airports, and there are 14 new runways planned to be operational through December 2005.

¹ ATA member airlines include: Alaska Airlines, Aloha Airlines, America West Airlines, American Airlines, American Trans Air, Continental Airlines, Delta Air Lines, DHL Airways, Emery Worldwide, Evergreen International Airlines, Federal Express, Hawaiian Airlines, Midwest Express Airlines, Northwest Airlines, Polar Air Cargo, Southwest Airlines, Trans World Airlines, United Airlines, United Parcel Service, and US Airways. Associate members include: Aerovias De Mexico, Air Canada, KLM Royal Dutch Airlines, and Mexicana De Aviacion.

² For purposes of this discussion, the 10 years covered are 1989–1999. Complete DOT Form 41 data for calendar year 2000 is not yet available.

What can be done about this? We think this is an area ripe for decisive congressional intervention, and we think that your bill, Senator Hutchison, is an important step in the right direction.

Some have suggested that limits be put on our national economy's demand for air transportation. This is wrong. Throttling back the economy is not a solution. Increasing capacity is the only appropriate response to the public's needs—and in the long run, the only response that the public will accept. Moreover, the more efforts are directed at demand management, the more likely we are to lose focus on the real problems and the more we will fail to provide what the American people need—safe, fast, frequent, efficient air transportation at fair prices.

We have reviewed the provisions of your bill—at least as they appeared in the Staff Working Draft dated March 26, 2001—and provide the following comments on how we think it would help to address the problem.

Section 3. FAA Study and Report

The analyses required by this section would help to develop a better understanding of the current nature of our capacity shortage. As we read the section, it requires the FAA to submit annual reports for 5 years on the degree to which airlines “overschedule” departures at the 30 largest airports in the United States. We prefer to look at this not as an “overscheduling” issue, but as a failure to provide adequate infrastructure issue; indeed, a failure to even commit to provide adequate infrastructure. We believe that the results of this process will provide a collection of compelling data that can be used to help build the kind of aviation infrastructure the national system requires.

But, we must restrain our hopes. Attached to my testimony is an article from Tuesday's *Los Angeles Times*. In it, all six candidates for mayor announce their opposition to the expansion of Los Angeles International Airport despite the public demand for more and better service at LAX. While one might think Californians particularly would have learned something from the failure to build an adequate electric power infrastructure, it looks as though at least with regard to our national aviation system, the lesson has not been learned.

We also suggest that the “overscheduling” analysis be broadened. Individually airlines do not overschedule departures at an airport, as the bill seems to assume. But collectively the combination of departures *and arrivals* by all airlines *and other airport users* may exceed the airport's capacity under certain circumstances or runway configurations. Thus, focusing on departures only may not cover the full range of issues that cause congestion and delays.

Similarly, focusing on “scheduled” performance may not fully address the issue. We think that a better measure for the analysis would be actual performance of both arrivals and departures. In that manner we would be in a position to better understand what is actually happening and use this information as a springboard for increased capacity.

Additionally, we think that the report to Congress should incorporate a requirement that the Secretary spell out the capacity enhancements that need to be implemented in both the air traffic control and airport systems in order to reduce this purported “overscheduling” at specific airport locations. If the 30 largest airports and the Department are going to go to the effort of compiling and analyzing the data, let's have Congress be informed of the solutions to the problems exposed. Absent this, we cannot hope to have accountability for providing needed infrastructure in the future.

Congestion / Peak Hour Pricing

In the version of the bill we reviewed, we noted that there was a study of the utility of congestion pricing. Congestion or peak hour pricing has been suggested by some as a means to ration airport capacity. Our concern with congestion or peak hour pricing is that these regimes focus on demand management rather than capacity management. In our view, and as Secretary Mineta has said, the necessity to implement such a scheme is an admission of failure to meet the public's transportation needs—and the demands of our economy.

If such a study were to be undertaken, we suggest that critical questions be asked about the goal and operation of such a program. Is it designed to limit demand or to produce increased airport capacity? This is a basic issue that must be forthrightly confronted. It is important to keep in mind that the revenue necessary to expand our capacity constrained airports is readily available today. The action by the Congress in enacting AIR 21, together with the commitment of the air carriers and the public finance community to underwrite expansion at the capacity constrained airports, obviates the need for congestion pricing as a revenue generating mechanism.

We are also concerned that fees raised during peak hours to limit demand will not be devoted to commensurate investment in capacity. When that happens, congestion pricing is inconsistent with the goal of building and maintaining a safe, healthy, vibrant, and competitive national air transportation system.

Among our other concerns with congestion pricing, are the following questions which should be carefully analyzed:

- How will congestion pricing be established and who will be responsible for setting it?
- Will congestion pricing serve as an excuse not to expand capacity?
- How will traffic from small and midsize communities be able to bear the incremental costs arising from peak hour pricing? To what extent would such a system disenfranchise residents of these communities from the national network? Alternatively, pushing service to these communities outside of the peak hours may necessitate residents of those communities adding an additional overnight to a trip, at significant costs that need to be computed.
- To what extent will public policy exemptions—small communities, new entrants, business jets, or government aircraft to name just a few—result in just as much congestion but at a higher prices for those not exempted?
- Should a congestion-pricing scheme be revenue neutral, so as not to build up tempting surpluses that local officials will inevitably seek to siphon off the airport?
- Even if a congestion pricing system is revenue neutral, should the terms by which grand-fathered airports operate (49 U.S.C 47107(b)(2)) be changed to preclude them from using these funds for non-aviation purposes?
- How will congestion pricing affect feeds from small planes and communities that may not be able to afford the peak hour surcharge? Without that feeder traffic and with fewer passengers on the connecting long haul over which the surcharges are spread, to what extent will the scheme have the potential to further increase prices on tickets?

Madam Chairwoman, in an economically ideal world, congestion pricing is a measure of value that should be reflected in the costs paid by the air carriers and their customers. But we do not live in an economically ideal world. Based on conversations with Members and staff of this and other Congressional Committees of relevant jurisdiction, we believe that there is a strong likelihood—I personally believe a certainty—Congress would require that any congestion pricing regime implemented waive congestion pricing for some, thus undermining any potential congestion mitigation for all. Further, the resolution of complex legal, economic, and most importantly, safety issues which would be necessitated by such a scheme would inevitably detract from efforts to get on with addressing the more critical long-term issues.

Section 4. Limited Exemption from Antitrust Laws

Section 4 provides the Secretary of Transportation with the authority to approve scheduling agreements reached by airlines if they are not adverse to the public interest, and provides a process by which parties and the public can participate in this limited waiver of the antitrust laws.

Once again, let me note that the thrust of section 4 is to find a way to work our way out of the infrastructure shortfall by means of demand management. While a laudable palliative, it too is an admission of failure—a failure to build an aviation system capable of meeting the public's demand. Nevertheless, we do want to be constructive and so offer the following comments concerning technical and operational concerns.

Section 4(b)(1) grants authority for carriers to file a request with the Secretary to discuss cooperative scheduling arrangements, and section 4(b)(2) provides that an air carrier may file an agreement reached pursuant to such a discussion. However, section 4(d) grants the Secretary the authority to exempt a person from the antitrust laws to the extent necessary to allow the persons to execute the agreement. We think the order of proceeding needs to be reversed. Unless carriers are exempt from the antitrust laws for the purpose of holding such discussions, e.g. section 4(b)(1) discussions, they won't be able to come up with a section 4(b)(2) agreement limiting capacity.

Even if the grant of the immunity preceded the discussions and agreement, we have concerns as to how the process would work. Let's say, for sake of this discussion, that three airlines serving Dulles obtained antitrust immunity and agreed to cap arrivals and departures during a particularly congested time of the day. In doing so, let's say that the carriers dropped their Dulles to Dallas, Dulles to Atlanta, and Dulles to Charlotte flights during that time period, a total of eight flight reductions, e.g. three flights to Dallas, two to Atlanta, and two to Charlotte. A month later, a fourth carrier that was neither a party to the discussions, or the agreement,

seeing the change in schedule now adds flights to Dallas, Atlanta and Charlotte. Additionally, noting that congestion at Dulles has been mitigated by the reduction in eight flights, the carrier increases service from five additional cities to Dulles during the time period, creating a mini-bank of connecting flights.

So what have we here? Three carriers obtained anti-trust immunity, cleared out some of the flights during the congested period, saw their own schedules become more orderly, and a month later are rewarded by having their business skimmed by a non-participant who restores flights—and presumably delays—during the peak to the original number.

We do not mean to dampen the creativity necessary to find remedies for the current situation. However, in the absence of any certainty that even immunized discussions will have their intended effect, we believe that carriers must be reluctant to enter into such scheduling talks in the first place if the potential, and likely result, is to be severely harmed in the marketplace.

There is one approach that might be considered. While ATA's Board has not even discussed this, I throw it out in the interest of being constructive, mindful that it is a unique, circumstance-driven demand management response to the failure to build capacity to meet the public's requirements. Using the example cited above, is there some way that on a day with inclement weather, those three carriers who have eight flights to and from Dulles during the same peak time to the same destinations can coordinate their schedules and cancellations with antitrust immunity so as to accommodate as many passengers on those flights and reduce delays for everyone?

It may be worth exploring that narrow circumstance before biting off the much larger antitrust immunity issue proposed in the bill.

Secondly, I suggest the Committee explore with the Secretary the scope of his authority and his willingness to use his "bully pulpit" to deal with schedule exigencies without fear of adverse competitive consequences. I do not have any specific proposal in mind in this regard; however, I do have great confidence in the Secretary's understanding of the problems involved and his creativity in dealing with them.

Section 5. Expedited Coordinated Environmental Review Process

The title of this section is music to our ears. For far too long airport capacity enhancement projects—and I might add Air Traffic Control capacity enhancement projects too—have been tied up in knots by the airport capacity, planning, development, and environmental review process. Whether it is the Army Corps of Engineers' review of the Seattle wetlands mitigation program or the National Park Service's reluctance to allow the FAA to install critically needed Terminal Doppler Weather Radar at Floyd Bennett Field, a former military base in New York, the time has come to bring this charade to an end.

With respect to section 5(a) it is our observation that environmental streamlining necessitates more than a congressional mandate to an agency to "expedite" or "coordinate"—witness Federal Highway Administration's (FHWA) attempts to comply with TEA-21's similar provision. Evidently, without any specific direction other than the broad brush to "expedite" or "coordinate," a legislative fix is not going to result in much improvement. We think the solution is to identify specific requirements that "expedite" or "coordinate" rather than an admonition to do so.

Similarly, requiring that reviews be done concurrently rather than consecutively sometimes speeds up the process and sometimes bogs it down. Even the concept of a date certain for completing environmental reviews, without some action forcing mechanism, may not work. For example, the Endangered Species Act contains statutory deadlines that are exceeded as often as not using a favorite regulator's trick—the clock is not started until the documentation is "complete"—a determination made exclusively by the agency only after multiple submissions and lengthy reviews. So while we feel that the notion is essential, without more specificity we are pessimistic about the effectiveness of this mandate. Clearly, we want to work closely with you to incorporate the kinds of detail that will make this essential component work effectively.

We think you should also consider adding to the bill direction to the FAA and other agencies to focus on those impacts routinely implicated by airport infrastructure projects, and to require agencies with jurisdiction over other types of impacts and/or relevant resources to identify these during the initial scoping of the environmental review process. The purpose of this provision would be to eliminate unnecessary analysis of environmental impacts not implicated by a specific project and to reduce situations in which the FAA is only made aware of other potential environmental impacts late in the review process.

With respect to Section 5(b), we do not believe that the current Federal judicial review procedures are the source of delay in getting these airport capacity projects

approved. Rather it is the threat of litigation that often leads to over-documentation and unnecessary rounds of review that delays projects and inhibits the timely expansion of the national aviation system.

Since some of these delay problems are driven by State laws, we are researching what Congress can do to alleviate these adverse State actions challenging airport projects of national significance. Clearly that is another area ripe for review and inclusion in this important legislation, and we plan to bring the results of our research to your attention.

One other concept we want to bring to your attention. Attached to my testimony is a list of airport capacity projects that we all know must be undertaken in order to bring about the delay mitigation we all seek. We suggest that this list, or an even more extensive list, be incorporated into the legislation, and serve as a guidepost to airports, the FAA, other government agencies, and the courts as to what Congress believes to be the locations at which prompt consideration of required reviews is necessary. And, we urge that there be annual reports documenting the progress on the road to increasing capacity at these facilities. Should the Congress find that progress is not being made, we would urge consideration of even more dramatic steps to bring about the aviation infrastructure necessary to ensure the economic well-being of this country.

Section 6. Chief Operating Officer

Section 6 provides that the Secretary of Transportation may set any level for the FAA Chief Operating Officer's compensation. Let's face it. This is a tough job that will need someone with broad experience, commitment, and a willingness to take on a very difficult and visible challenge. It is a rare individual, indeed, who would shoulder these burdens with the financial constraints contained in current law. Either we want to find the best-qualified individual and compensate him or her appropriately, or we will be willing to settle for less. The country cannot afford to settle for less. We urge the enactment of Section 6.

While we are discussing the Chief Operating Officer position, we think that it should be made crystal clear that the FAA COO is empowered to hire or promote a number of other individuals who can similarly be compensated at market rates. We want the best and the brightest for this difficult task; we need to ensure that the tools to hire and retain them are available.

Madam Chairwoman, we stand ready to work with you to move this legislation forward, to bring about the expeditious deployment of new technologies and new approaches to expediting the environmental issues associated with airport expansion, and to seeing a new day in aviation.

Thank you for the opportunity to present this statement. We look forward to responding to the Subcommittee's questions.

ATA Top Ten ATC Modernization Program List

This list is comprised of the top ten most important ATC-related programs that can be implemented over a 5-year period and which would result in real national aviation system capacity improvements.

1. **En Route Software and Hardware (HOST Computer) Upgrades:** The HOST Computer is the "central nervous system" for the En Route Air Traffic Control System, but it operates on antiquated software. The upgrades included in these programs would bring the system to current standards, but also would bring the capability to automatically assign routes around impacted airspace such as areas affected by severe weather.

2. **Airspace Redesign:** Along with the RVSM program, this badly needed redesign program will help to relieve the daily airspace saturation that causes ground delays and restrictive increased spacing between aircraft in the en route environment. By re-drawing air traffic control center and sector boundaries and revising arrival and departure routes at complex terminals, airplanes can be routed through the system more efficiently.

3. **Choke Point Initiatives:** Over the past year, FAA and industry have developed 21 initiatives designed to help relieve seven choke point areas identified by users of the National Airspace System. These areas are in the Midwest corridor east of Chicago and several sectors dealing with traffic in/out of the New York terminal area—the most congested airspace in the world. The choke point initiatives are focused on resolving conflicts between full and equitable access to the NAS without violating FAA regulatory requirements or degrading safety in any way.

4. **Domestic Reduced Vertical Separation Minimums (RVSM):** Perhaps the biggest problem in the ATC system today is the lack of en route airspace, brought on by outdated separation standards and requirements. Updating these standards

by reducing the vertical separation above 29,000 ft. (now 2,000 ft.) to 1,000 ft. will allow FAA to make better, more efficient use of our Nation's airspace.

5. Aircraft Vortex Spacing System (AVOSS) at major terminals: This research, development, and implementation program will increase runway capacity at some 30 airports initially by allowing reductions in spacing on final approach in those instances when the system determines increased spacing, necessitated by wake turbulence, is not required.

6. Controller-Pilot Data Link Communication (CPDLC): This program will speed the modernization of voice and data communications technology between controllers and pilots and allow for more automated information transmission between the ground and cockpit, especially in the oceanic environment.

7. Free Flight Phase I and II Implementation: The Free Flight initiatives consist of a series of programs designed to improve National Airspace System operations by providing more direct routings while maintaining maximum safety margins throughout the system. These programs include efforts such as Collaborative Decision-Making (CDM), to improve communications and planning between the FAA and the users of the Air Traffic Control System; User Request Evaluation Tool, a conflict probing tool to facilitate more direct flight; the Center/TRACON Automation System, a sequencing and spacing tool to aid in more efficient terminal operations; and the Surface Movement Advisor, to expedite ground operations at airports.

8. Safe Flight 21 Initiatives: This government/industry partnership is designed to validate the concept of free flight in the real-world operating environment. There are nine major enhancements, including ADS-B (a satellite-based surveillance tool) and TIS-B. These initiatives will, among other things, help to reduce separation standards, reduce runway incursions, prevent surface collisions, and improve the provision of real-time weather reports to the cockpit.

9. Full-Scale Global Positioning Satellites (GPS) Satellite Navigation Implementation (including LAAS, WAAS, and RNP/RNAV procedures): Completing the implementation of the GPS network, along with the Local Area Augmentation System (LAAS) and Wide Area Augmentation System (WAAS), will provide more accurate, reliable navigational capabilities in bad weather, allow for reduced separation requirements, more accurate precision approaches, and increased availability of direct routings. In addition, FAA must complete the development of new RNP/RNAV procedures that will allow pilots to use the most efficient departure and arrival procedures. These systems should be developed and implemented so that they are fully compatible with similar systems elsewhere in the world, for example the European Galileo (GNSS) system.

10. Staffing: In order to fully implement these and other initiatives, FAA will need to hire and train 75 certification experts to aid in the acceptance of new avionics needed to use the new satellite systems and ADS-B. Also, 1,050 new air traffic controllers must be hired beginning in fiscal year 2001 to cover attrition and expand the number of sectors.

Top Airport Capacity Enhancements

This list is comprised of the airport capacity improvements that are needed to truly improve delay problems in the United States. Coupled with our Top Ten ATC Improvements, these projects will significantly reduce delays, increase capacity, and improve the efficiency of the national air transportation system. This list is presented alphabetically and is not prioritized in any fashion.

Atlanta Hartsfield (ATL)—A new 9,000' runway 10/28 is in the final EIS review stages. If the current EIS process completion date of July 2001 is met, the runway can be in service by May 2005. This project, which is estimated to cost \$1 billion, will provide capacity benefits of fifty percent—from 180 operations per hour to 270 per hour.

Boston Logan (BOS)—A new unidirectional 5,000' commuter runway will alleviate delays at Boston Logan by as much as 60 percent during certain operational conditions. MASSPORT and the airline industry are trying to overcome local political opposition, which have prevented this runway from moving forward. Plans are mostly complete but construction is not expected to begin before 2002. It is estimated that this runway will cost \$33 million.

Chicago O'Hare (ORD)—A new 7,500' 9/27 runway, discussed then shelved in 1994, could be completed in the 2008 timeframe if planning was to re-start today and construction began in 2005-2006. Current "back of the envelope" estimates place a \$2 billion price tag on this project. This project would create the ability for "triple approaches" at O'Hare but would also require the relocation of other runways, taxiways and support facilities.

Cincinnati (CVG)—A third, fully independent, 8,000' North-South runway that will improve capacity at Cincinnati by as much as 50-70 percent by providing triple

parallel approaches. The runway, with an estimated price tag of \$220 million, is designed to open with full ILS capabilities. It is currently in the Draft EIS comment stages; this process should be completed by December 2001. If this date is met, the estimated opening date is December 2005.

Dallas/Ft. Worth (DFW)—A 9,760' eighth runway at DFW would allow for four approach streams during IFR conditions, and would take the annual capacity to 1.2 million operations. This runway would be located on current airport property on the west side of the airfield. EIS work is anticipated to begin in 2001 and without undue delay the runway could come into service in 2006 at a cost of \$350 million.

Greensboro (GSO)—Airport management is expecting a final EIS decision on new runway 5L/23R in the spring of 2001. This runway carries an estimated price tag of \$126 million and will increase the capacity of Greensboro by as much as 60 percent when it goes into service in late 2005 or early 2006.

Los Angeles (LAX)—Airfield delays are becoming more common at LAX, especially as traffic continues to grow without any appreciable increases in airfield capacity. The city of Los Angeles is currently developing a master plan, and its preferred alternative includes marginal airfield improvements, such as additional taxiways to improve airfield circulation and an extension to one of the primary take-off runways. However, because of political, environmental and community pressures, the preferred alternative does not include the addition of any new runways. There is also strong sentiment in the region that planning should focus on improvements to other airports in Southern California instead of LAX.

New York LaGuardia (LGA) and Kennedy (JFK)—While there are no planned new runway projects at LaGuardia Airport, there are technology improvements (see the ATA Top Ten List) that would improve—but not resolve the shortage of—capacity at LaGuardia. Additionally, we understand that PANYNJ planners are beginning to look at potential new runway capacity at JFK; while we encourage this planning effort, there are no proposals that can be evaluated as of this writing.

Philadelphia (PHL)—Airfield delays are a serious impediment to future air traffic growth at Philadelphia and the problem will be exacerbated with the completion of two terminal expansion projects in the next 2 years. The City has retained outside engineering and planning firms to study alternatives to: (1) provide more runway capacity, with the goal of accommodating dual independent jet operations; and (2) improve the constrained system of taxiways, with the goal of accommodating two way traffic in many areas. The City has not yet identified a preferred alternative.

San Francisco (SFO)—Airport planners are in the preliminary engineering and environmental planning phases, including the modeling of capacity benefits of the various options for adding runway(s). The next step in the process is to identify a preferred alternative—no target date has been set yet. Even without unnecessary delay, any new runway(s) would not come into service until after 2008. Current cost estimates for improving runway capacity at San Francisco range from \$2.5 to \$10 billion.

Seattle-Tacoma (SEA)—A new 8,500' third runway is in the final environmental approval process, awaiting permits from the Army Corps of Engineers and Washington State Department of Ecology. This runway, which will increase the capacity of Sea-Tac by 12-18 arrivals per hour in poor weather, is expected to begin service in 2006 and will cost \$773 million.

St. Louis Lambert (STL)—New runway (12R/30L) just received its final environmental approvals, and the airport is in the final stages of design and land acquisition. When completed in 2006, this \$1.1 billion runway will increase the hourly capacity of St. Louis Lambert by 43-51 percent.

Washington Dulles (IAD)—Airport planners currently finishing the design of two new runways. New runway 1L/19R is targeted for completion in December 2011, will cost an estimated \$183 million, and will reduce delays by approximately 33 percent. New runway 12L/30R, targeted for completion in January 2006, carries an estimated price tag of \$216 million, will reduce delays by an estimated 50 percent.

Former Military Bases—The airline industry supports having FAA take a lead role in calling together the various supporters and opponents of former military bases (for example, El Toro, Moffitt, and Homestead) to determine what might be done to advance the conversion of these facilities into practical commercial aviation facilities. All operational, environmental and other concerns must be addressed, but the Federal Government, through the Federal Aviation Administration, must take a leadership role in advancing the cause of expanding commercial aviation infrastructure through the military base conversion process.

[From the Los Angeles Times, Tuesday, March 27, 2001]

MAYORAL CANDIDATES JOIN OPPOSITION TO EXPANDING LAX

ELECTION: HAHN AND SOBOROFF, WHO HAD GIVEN QUALIFIED SUPPORT FOR THE PLAN, UNITE WITH THEIR RIVALS AS THE CAMPAIGN MOVES INTO THE FINAL 2-WEEK STRETCH

[By Matea Gold, Douglas P. Shuit]

In a reflection of the sway held by vocal community organizations, all six top mayoral candidates have pledged to oppose a plan to expand Los Angeles International Airport, airport growth critics announced Monday.

City Atty. James K. Hahn and businessman Steve Soboroff, who had previously given qualified support for the expansion, joined their four mayoral rivals in opposing the proposal to increase annual passenger trips at LAX from 67 million to 89 million by 2015.

The pledge, drafted by an anti-expansion group, said the LAX master plan "should not be submitted to nor approved by the city of Los Angeles." It also stated that the airport should be constrained to operate safely within its existing facilities and that Los Angeles should work with the airport and other communities to develop a regional air transportation plan.

The pledges came as the campaign moves into its final 2-week stretch before the April 10 election. On Monday, Soboroff unveiled a plan to draw biotech firms to Los Angeles, and Rep. Xavier Becerra proposed giving Los Angeles residents rebates if they conserve electricity.

The opposition by all six candidates to the LAX expansion is a blow to Mayor Richard Riordan and officials at the airport, who have spent 6 years and more than \$60 million putting together a \$12-billion proposal to expand runways, build a new passenger terminal and make highway and rail improvements to serve an expected boom in demand for passenger and cargo services.

Riordan has endorsed Soboroff for mayor, but his spokesman said Monday that the mayor does not expect the real estate broker to mirror all his positions. "Everybody who has had an association with the mayor knows that he does not ask for ideological purity," said Deputy Mayor Ben Austin. "He asks for his associates to exercise their judgment, which is what Steve is doing." The signed pledges were released Monday by the Alliance for a Regional Solution to Airport Congestion, a coalition representing about 2,000 residents of Westchester and Playa del Rey who want to see, among other measures, air traffic diverted to the Ontario and Palmdale airports.

At a news conference outside the airport's north runway Monday afternoon, Rep. Maxine Waters (D-Los Angeles), Los Angeles City Councilman Ruth Galanter and El Segundo Mayor Mike Gordon said the candidates were listening to constituent complaints about noise levels, air pollution and traffic problems that would only worsen if the airport is allowed to continue to grow.

"All the candidates have begun to realize that the people impacted by the airport are a significant enough voting block that they are worth paying attention to," Galanter said.

"I am thrilled that we got all six candidates—that means the master plan is dead on arrival," Gordon said.

Although their four opponents had already registered their opposition to the LAX expansion, Hahn and Soboroff had supported the proposal with some qualifications. Both said they wanted the airport to focus on mitigation measures to reduce traffic, noise and air pollution before construction of a new passenger terminal.

In a statement released Monday, Hahn said the current master plan does not achieve a regional solution or address neighbors' needs.

"I believe we must scrap the current master plan and take a leadership role with our neighboring cities to find a truly regional solution," he said.

Ace Smith, campaign manager for Soboroff, insisted that the real estate broker did not change his position about the airport.

"He's always said he's got serious problems with the master plan," Smith said. "The question here was, 'Does he favor it as it exists?' The answer is no." The airport plan is strongly backed by business and labor groups, who were quick to respond Monday.

Lydia H. Kennard, executive director of Los Angeles World Airports, the city agency that operates LAX, called the pledges "neither surprising nor particularly significant." Kennard said she was confident that once the election is over "the next mayor will work constructively" with the airport to deal with its problems.

Brad Rooker, president of a sheet metal workers union local in Los Angeles, said he believes that Hahn and Antonio Villaraigosa, who has the endorsement of the County Federation of Labor, AFL-CIO, will revisit the airport issue if elected.

Meanwhile, Becerra took on another hot issue Monday, proposing an energy-saving rebate plan that would give consumers who save electricity a discount on their bill.

The Democratic congressman laid out a plan that would reward people who save energy by reselling the electricity they would have used to the State power grid, and then splitting the profit from the sale with the consumer. The rest of the money would go to paying down the DWP's debt.

Under his proposal, Becerra said people who reduce their energy use by 20 percent would get a 36 percent discount in their bill. Those who cut their electricity usage by 10 percent would save 15 percent on their bill.

"Simply because we're an island in a stormy sea doesn't mean we shouldn't be conservationists," said Becerra, who challenged the mayor and the Department of Water and Power to implement his idea right away. "This is a win-win situation. Why we're not doing this right now, I don't know." Frank Salas, chief of staff for DWP General Manager S. David Freeman, said the agency would look at the plan.

"We've got to work out the details, but it's something that we would consider," Salas said. "If we could conserve energy, that's that much more energy we could sell to the State and help get us through the crisis in the summer." If the DWP recommended the plan, it would have to be approved by the department's board, the City Council and Riordan.

Austin said that Riordan is "open to all proposals." "The bottom line is that Los Angeles has a secure and affordable source of energy, and only because of that are we able to have a conversation about how to help our neighbors," Austin added.

On Monday, Becerra demonstrated how to cut electricity use at his downtown headquarters: He oversaw maintenance workers unscrewing light bulbs, then shut down an idle computer. And he even got down on his knees and cleaned out the campaign's packed refrigerator, explaining that keeping air circulating inside the refrigerator and cleaning the condenser coils underneath or behind the machine helps reduce energy use.

Meanwhile, at a campaign stop in Northridge, Soboroff unveiled his plan to promote the biotech and biomedicine industries.

He proposed a tax credit for companies that create jobs in those sectors, but declined to say how much it might cost.

He also promised to hire a specialist in the mayor's office to focus solely on luring biotech and biomed companies to Los Angeles. And he pledged to work with leaders of USC, UCLA and other academic institutions to encourage commercial development of their research.

With an ample supply of labor, financial institutions, real estate and research institutions, Los Angeles can support dramatic growth in the industry, he said.

"We have the ingredients to bake the cake; we just haven't put them together well," he said.

Hahn picked up support from a group of Asian Pacific American leaders Monday who credited the city attorney for his outreach to Asian communities in Los Angeles. The group of backers who gathered in Little Tokyo to announce their support for Hahn included former Harbor Commission President Leland Wong, Francis Hashimoto, president of the Little Tokyo Business Assn., and Joseph Ahn, past president of the Korean American Coalition.

Senator HUTCHISON. Thank you, Mr. Merlis.

Mr. Jeff Fegan, who is the Chief Executive Officer of Dallas/Fort Worth International Airport, and one of my constituents, and I welcome you here representing the airports.

STATEMENT OF JEFFREY P. FEGAN, CHIEF EXECUTIVE OFFICER, DALLAS/FORT WORTH INTERNATIONAL AIRPORT

Mr. FEGAN. Thank you, Chairwoman Hutchison, Senator Rockefeller, and distinguished Members of the Subcommittee. I do appreciate the invitation to come and testify here today on the very serious issue of airport capacity and delay.

We certainly support the Aviation Delay Prevention Act, especially those provisions that expedite the environmental review process that is frustrating our efforts to add capacity at DFW as well

as airports around the Nation. As you all know full well, airport expansion has become an extremely lengthy and contentious process, and your bill will certainly help to change that.

We all have experienced delays, and as many people have stated already today, the expectation of passenger growth to exceed 1 billion passengers by 2010 is really causing airports around the country to go through major expansion programs to meet that demand. That process is a very intensive, very expensive process of developing infrastructure and adding capacity necessary to safely and efficiently transport passengers through our Nation's airports.

At DFW, we are blessed with 18,000 acres of land. In 27 years we have grown to be the third busiest airport in the world in terms of aircraft operations, and we still need to do more to help alleviate the impending gridlock that really will require additional infrastructure at our airport.

We, like many other airports across the Nation, have entered into a capital development program. Ours is about \$2½ billion. It involves the construction of a new terminal building and a new people-mover system. It also will involve the construction of three runway extensions, aircraft holding pads and new taxiways.

But even with all those projects—projects that will add capacity and that will go a long way toward addressing delay issues—probably the single most crucial element to increasing capacity at airports is by adding new runways. There have only been six new runways in the 1990s.

Apparently there are some 15 airports that are looking at adding runways this decade, but for the most part, the blame for the delays in building new runways and increasing capacity often lies in the laborious and time-consuming environmental review process, a process that can take years to complete and that must be finalized before any construction of new runways can begin.

Not surprisingly, the airport is fully supportive of your effort in the Aviation Delay Prevention Act to expedite the environmental review process. This legislation comes at a very opportune time, because we are now in the process of beginning to look at our eighth runway at DFW Airport. This will involve a revalidation of an environmental impact statement that we completed in the early 1990s. In fact, the FAA's record of decision for runway 16/34 East and 16/34 West, which was issued on April 6 of 1992, was the culmination of about 3½ years of environmental effort.

But in addition to those 3½ years, it also took us two additional years due to legal challenges, another year for design, and then another two years for construction, so from beginning to end, not quite 10 years went by before we were able to add our seventh runway in 1996. So again, it just illustrates, I think, the difficulty and the challenges we have in adding new runway capacity.

Our experience with the seventh runway and our desire to build our eighth runway in a more expedited manner led us to partner with the American Association for Airport Executives and ACI in terms of the EASE initiative—EASE being Expedited Airport System Enhancement initiative—and again, we think this will go a long way in helping us get through the next process as we look to build our eighth runway.

Under ACI/AAAE's EASE legislation, the FAA will be called upon to identify critical national airport capacity projects, such as our eighth runway. The FAA and all agencies that conduct environmental reviews will be expected to give these critical projects the highest priority.

DFW Airport also fully and completely supports any legislation that will expedite and coordinate the environmental review process and that will ensure that reviews are done concurrently and not consecutively, as called for in the Aviation Delay Prevention Act.

And finally, the one other area that I think could really expedite critical capacity projects, especially in the terminal area, is in the use of the Passenger Facility Charge (PFC). PFCs have been enormously valuable to airports to help construct new runways and terminals. We would urge you to consider adding to your bill provisions that would broaden PFC eligibility to allow airports to construct the base shell of terminal buildings. It does us no good to be able to add gates if we cannot build the infrastructure necessary to make the terminal work.

The fact that only about 80 percent of the terminal building is eligible for PFC funding again causes us some concern as we try to move forward with new terminal construction for airlines that need new terminal space. There is no doubt among members of the aviation community that the escalating delays and cancellations will continue unless we can work collectively and address the problems with solutions that will work.

I can't emphasize enough that the single most effective method of reducing delays at our Nation's airports—short of regulating airline scheduling practices or capping demand—is to increase capacity. Airport operators need the funding and the flexibility to build additional runways, terminals and gate space to handle the growth. In short, airports cannot control flight delays and cancellations, but I believe we can add necessary runway and terminal infrastructure and expedite the environmental review process. Together, I think these initiatives will go a long way in mitigating the congestion that is plaguing our system today.

Again, thank you very much for the opportunity to testify today. [The prepared statement of Mr. Fegan follows:]

PREPARED STATEMENT OF JEFFREY P. FEGAN, CHIEF EXECUTIVE OFFICER,
DALLAS/FORT WORTH INTERNATIONAL AIRPORT

Senator Hutchison, Senator Rockefeller and distinguished Members of the Subcommittee, I appreciate the invitation to testify before you today on the very serious issues of airport capacity and airline delays. We support passage of the Aviation Delay Prevention Act, especially those provisions that would expedite the environmental review process that is frustrating our efforts to add capacity at DFW and other of the Nation's key hub airports. As you know full well, Senator Hutchison, even in Texas, where we are blessed with Nature's bounty, airport expansion has become an extremely lengthy and contentious process. Your bill will certainly help to change that!

As seasoned travelers, all of you have surely experienced the anxiety and frustration associated with the ever-increasing flight delays and cancellations that have plagued—and that continue to plague—the United States' aviation system. Unfortunately, the situation is only expected to get worse. In fact, air travel in the United States alone is expected to grow from its current level of 650 million enplaned passengers to almost *one billion* enplaned passengers by the year 2009, only eight short years away. That growth is equal—literally—to the traffic handled by 10 NEW DFW International Airports. That's truly phenomenal growth. In addition, international

travel is also expected to increase—in fact almost double—over the next 10 years to nearly 250 million enplanements by the year 2011.

In an effort to accommodate this expected explosion in air travel over the next decade, airports across the country have begun the laborious—not to mention very expensive—process of developing the infrastructure and adding the capacity necessary to safely and efficiently transport passengers through our Nation's airports.

DFW Airport's Capital Development Program: Adding Capacity

Blessed with 18,000 acres, DFW certainly has room to add the necessary capacity. As many of you already know, DFW Airport has been operational for almost 27 years and has grown to become the third busiest airport in the world in terms of operations. As air traffic at DFW Airport and across the Nation becomes increasingly congested, however, there is little that we, as airport operators, can do to help alleviate the impending gridlock *without the proper infrastructure in place to accommodate the demand*.

Like many other major airports across the country, DFW recently embarked upon its latest Capital Development Program, which will see DFW Airport invest \$2.5 billion for a variety of capacity-enhancing projects designed to alleviate delays in our terminals and on our runways. Specifically, DFW Airport is in acute need of additional gate space to accommodate the increase in international and domestic flights and new air carriers, including the influx of low-fare carriers that want to serve or expand service at the Airport.

To accommodate this increase, we have recently broken ground on a new, \$1 billion international terminal—"Terminal D"—that will provide DFW Airport's international passengers, our fastest-growing passenger segment, with a single, consolidated, world-class travel facility. Most importantly, this new terminal will provide DFW Airport with 23 additional and much-needed gates to add to our existing 132 gates.

Also to enhance capacity, DFW Airport is building a new People Mover System, which will provide Airport passengers with a high-speed, state-of-the-art system of trains that will enable passengers to travel between connecting gates within the Airport's main terminal area in record time. With trains scheduled to arrive from each direction every 2 minutes, this new system will provide all passengers—especially passengers who must rush to make connections between and among our soon-to-be five terminals—with a very high level of service.

In addition to the new terminal and the new People Mover System, DFW Airport is also undertaking several airfield enhancement projects, including three runway extensions, aircraft holding aprons and taxiways, in order to continue to improve aircraft movement, reduce taxiway congestion and increase volume. These projects will enhance air traffic controllers' efficiency, help accommodate the increased passenger flow and reduce delays at DFW Airport and across the Nation.

The Environmental Review Process

While it's true that the projects I have just described will go a long way toward reducing delays, probably the single most crucial element to increasing capacity is *adding runways*.

According to the Department of Transportation's Office of Inspector General (OIG), between 1991 and 2000, *only six new runways were added* at the Nation's largest airports—which included DFW's seventh—with an additional 15 runways either proposed or under construction, including DFW's eighth. With the increasing number of delays occurring around the country, building *only six new runways in 10 years* simply will not be enough to help alleviate the congestion at our Nation's airports.

Moreover, of the 15 runways that are either proposed or under construction, most of them will not be operational for several years, assuming current projections hold. For the most part, the blame for the delays in building new runways and increasing capacity at our Nation's airports rests with the laborious and time-consuming environmental review process—a process that can take years to complete and that *must be finalized* before construction of a new runway can begin.

Not surprisingly then, Senator Hutchison, DFW Airport is fully supportive of your effort in the Aviation Delay Prevention Act to expedite the environmental review process.

This legislation could not have come at a more opportune time. DFW Airport is poised to begin preliminary work on the Airport's planned eighth runway this year. This will involve a revalidation of the Environmental Impact Statement (EIS). The EIS studies for the Airport's east and west runways—the Airport's seventh and soon-to-be eighth—were conducted and approved in the early 1990s.

In fact, the FAA's Record of Decision for Runways 16/34 East and 16/34 West, which was issued on April 6, 1992, was the culmination of *three-and-one-half years* of environmental effort by DFW Airport and the FAA. At that time, the Final Environmental Impact Statement (FEIS) for the two new runways was one of the most comprehensive environmental efforts ever conducted for new aviation facilities in the U.S.

In addition to the three-and-one-half years it took to complete the EIS, the process was further delayed by 2 years due to legal challenges, another year for the runway's design process and still another 2 years for the construction process. From beginning to end, it took DFW Airport nearly *10 years* to have our seventh runway in place and operational, with the majority of this time taken up by the environmental review process.

This extended comment review period granted the FAA and the DOT during DFW's early 1990s EIS study—which is routinely granted the FAA and DOT—has resulted in delays, not only in terms of extending the project schedules but, ultimately, in terms of airline arrival and departure delays. A runway project that should have opened in 1990-91 was not completed until September 1996.

Under the current Federal environmental review process, DFW Airport will have to wait until 2007 to open our eighth runway, and that is only if DFW Airport is able to begin the EIS revalidation process *this year*.

Our experience with our seventh runway and our desire to build our eighth runway in a more expedited manner led us to partner with the American Association of Airport Executives (AAAE) and Airports Council International-North America (ACI-NA) and propose legislation to Congress earlier this month.

The proposed legislation—our Expedited Airport System Enhancement initiative, also known by its acronym EASE—will accelerate the FAA review process so that work on crucial capacity-enhancing projects, such as DFW Airport's eighth runway, can be completed much sooner than the current system allows.

Under ACI/AAAE's EASE legislation, the FAA would be called upon to identify "critical national airport capacity" projects such as DFW's eighth runway. FAA and all agencies that conduct environmental reviews would be expected to give these "critical" projects the highest priority.

Other provisions of EASE would require states to accommodate these critical airport projects when they draft regional air pollution reduction plans for areas that fail to meet National air quality standards. EASE would also loosen FAA restrictions on use of local airport funds for environmental mitigation in neighboring communities.

We commend the provisions of EASE for the Subcommittee's consideration as an integral part of its final Bill.

DFW Airport also fully and completely supports any legislation that will expedite and coordinate the environmental review process and that will ensure that reviews are done concurrently and not consecutively, as called for in Senator Hutchison's Aviation Delay Prevention Act. DFW Airport is also fully supportive of completing all environmental reviews by a date certain, thereby ensuring that the current practice of extending the comment review period by the FAA and the DOT is not allowed to continue.

I note, Senator Hutchison, that the Administration agrees with you on the need for environmental streamlining. DOT Secretary Mineta, in an address to the Aero Club of Washington last week, came out in favor of such action. To quote the Secretary, "we think we can, in many instances, conduct State and Federal environmental assessments simultaneously, rather than consecutively, and save months if not years in the process."

Airline Scheduling Practices

DFW Airport is also supportive of the provision in Senator Hutchison's bill that calls for further study of possible remedies for alleviating airport congestion, such as congestion mitigation fees to be paid by the airlines.

DFW Airport is not necessarily an advocate of imposing a congestion mitigation fee on airlines for overscheduling practices during peak hours. While I believe that a fee may serve as a deterrent for overscheduling, we should remember that there is still the issue of supply and demand: airlines would not schedule flights—profitable flights during peak hours—if there was not a demand for the flights. Rather, I believe the best, most surefire method for meeting the increase in flights is to accommodate them *by increasing capacity* at our airports.

Fortunately, DFW Airport has the landmass to support additional infrastructure and development. However, a congestion mitigation fee may be supported by those airports that simply do not have the available space to build the necessary infra-

structure, leaving them with no choice but to control congestion through the imposition of a fee upon airlines that continue to overschedule flights during peak hours.

I commend you, Senator Hutchison, and this Subcommittee for its farsightedness on this issue, and I look forward to the report and recommendations.

Passenger Facility Charge (PFC) Terminal Eligibility

Finally, I would like to address a critical capacity and funding issue with you today that is not addressed in the legislation, as drafted, but that I hope will be included in a subsequent version of this bill.

PFCs have been enormously valuable to airports to help construct new runways and terminal gates over the past 10 years. But we would urge you to add to your Bill provisions that would broaden PFC eligibility to allow airports to construct the *basic shell* of terminal buildings. There is little consolation in building gates if airports cannot build the structures that house the gates.

DFW tried last year in AIR-21 to expand PFC eligibility to include the building of the shell of a new terminal building. If PFC monies can only be used to build 80 percent of a new terminal, then an airport must go to the bond market to finance the remaining 20 percent. This may require prior approval of the airline tenants, which can delay the project and further jeopardize the needed new capacity. However, if the entire shell is eligible for PFC funding, then airports can build new capacity much more rapidly. Simply put, if we are to have new airport terminal capacity online to meet the FAA forecasts, then we need to broaden the PFC eligibility definition for airport terminals and gates.

Conclusion

There is little doubt among members of the aviation community that the escalating delays and cancellations will continue unless and until we can, collectively, address the problems with solutions that will work.

Ladies and gentlemen, I cannot emphasize enough that the single most effective method to reduce delays at our Nation's airports—short of regulating airline scheduling practices or capping demand—is to *increase capacity*.

Airport operators need the funding and the flexibility to build additional runways, terminals and gate space to handle the dynamic aviation growth that is expected in the coming years. In short, while airports cannot control flight delays and cancellations, I firmly believe that by adding the necessary runway and terminal infrastructure and expediting the environmental review process, we will, in the long run, be able to mitigate a great deal of the congestion that is plaguing our system today.

On behalf of the Dallas/Fort Worth International Airport, I look forward to working with this Subcommittee and others in Congress to bring these ideas to fruition. Thank you again for the opportunity to testify today.

Senator HUTCHISON. Thank you, Mr. Fegan.

Mr. Charles Barclay, the President of the American Association of Airport Executives.

STATEMENT OF CHARLES BARCLAY, PRESIDENT, AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

Mr. BARCLAY. Chairwoman Hutchison, Ranking Member Rockefeller, and Members of the Subcommittee, I would like to just submit my testimony and make three brief points if I could.

The first one is, thank you. The work this Subcommittee has done over the last several years in adding resources for airports—both the increased AIP levels and the increased PFC levels—are a key part of the solution to this problem down the road. If those had not been already put in place by this Subcommittee and the Congress, we would be a lot farther away from a solution than we are. So number one is, thank you.

Number two is, I would like to talk a little bit about our network system, because we have been focusing a lot on the problems with the major hubs in our network, and with good reason. There really are problems there. The Subcommittee has already wrestled with some of the competition issues. The delay issue is another one where you wind up focusing on these key hubs, but I think any dis-

cussion of our system needs to start from the point of view that having a network system focused on major hubs has tremendous advantages, particularly for servicing small communities.

A network system allows you to collect up lots of partners in one place at one time, which creates efficiencies that keep fares as low as they can be. It also dramatically increases frequency of flights, particularly to smaller communities, versus a network where we only had point-to-point service between markets which could support an airplane dedicated to two points.

The network system is a valuable asset. Now, the dark side of that system is that when something goes wrong at one of those hubs, the same kind of multiplication of benefits you get in good times, you get the opposite of that when you have a thunderstorm roll through a major hub airport. It ripples delays around the system. We just have cascading unhappiness that goes on out there. Now, that is a disadvantage of this network system that is well worth paying when those are just occasional events, a thunderstorm every now and then in Atlanta, or Dallas, or anywhere else.

Last year, our problem was that one 1 of every 4 flights was either delayed or canceled. When you wind up with that kind of an equation staring you in the face, it is understandable, the frustration of passengers and Members in starting to question the usefulness of those kinds of major hubs, but we need to fix that system, not all dream about direct point-to-point service, because that will serve the largest markets, but it will not serve small communities.

The good news about our system is that we can focus our attention on a few key airports out there. There is really a limited number. We said 10 to 15 airports where we can focus our attention. If we do something about the capacity of those airports, we are going to provide enormous benefits to the entire system, to passengers in all communities, and all passengers trying to use this system, because of the way it operates.

That brings me to my third point, which has already been very well made by the Members who spoke and that is about streamlining the debating process for getting to these additions. Jeff and I were talking before the hearing, and to put this in context, Jeff has at DFW seven runways. He is adding an eighth runway for 62 million passengers at DFW.

In the past decade, we have added 200 million passengers to our system, and we have added six runways at major airports, so the equation we are not keeping up with demand for the system and, as Ed said, we do not want to get into demand management. This is a critical infrastructure system if we are going to have a modern economy working, so our proposal, similar to the concept that is in the bill, is put a statute of limitation on how long you can debate whether or not to go forward with a project.

Do not change the environmental standards at all. We are not asking for any changes in the standards. We are saying we have got to stop the gaming of the process to never get to applying the standards. We measure additions of runways in decades instead of years. That is by definition a broken process. We need to do something about that.

We have the EASE program. You properly put forward the proposal that is in the legislation before the Subcommittee. They have

the same goal, and we look forward to working with the Subcommittee to try to do something again not to lessen environmental standards, but to put a reasonable period of time on these projects that are not just locally important. But because of the kind of system we run, they are important to every one in the Nation, and we want to have a debate over those. We want to look at alternatives, but then we want a go or a no-go decision. If it is a go we will build it at airports. If it is no-go, we will start looking for a way to handle that capacity issue.

Thank you. I will be happy to answer any questions.

[The prepared statement of Mr. Barclay follows:]

PREPARED STATEMENT OF CHARLES BARCLAY, PRESIDENT,
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

Senator Hutchison, on behalf of the thousands of men and women across the country who manage and operate America's airports, I appreciate the invitation to testify today on legislation you have introduced to tackle aviation delays. It is fitting that the first hearing held in this subcommittee under your leadership is focused on addressing this pressing problem.

As you are well aware, aviation capacity constraints and the resulting delays have reached the crisis point. The Department of Transportation Inspector General recently reported that 1 in 4 flights last year were either delayed, canceled or diverted, affecting 163 million passengers. That represents a 20 percent increase over 1999, which was a record year in terms of delays.

Unfortunately, the frustration and inconvenience that travelers face today in dealing with an overcrowded and overburdened aviation system will only grow worse. This spring and summer promise to be as miserable as the last several as more and more flights are crowded into the system. Passenger traffic within the next decade is expected to explode from today's 680 million to one billion annually. Continued growth in the cargo and general aviation segments will cause additional strain.

Despite the huge growth in air travel over the past decade, the construction of new runways and other critical capacity enhancing projects hasn't kept pace with increased demand. Since 1991, only six runways were added at the largest airports where delays are concentrated. These runways were opened in Las Vegas in 1991, Detroit in 1993, Salt Lake City in 1995, Dallas/Fort Worth in 1996, Philadelphia in 1999, and Phoenix in 2000. Although a number of additional runway projects are now planned, the process for reviewing and approving these projects threatens to delay their construction.

150 Miles of Runway Required to Meet Future Demands

As a result, many of the Nation's busiest airports don't have the capacity to accommodate today's traffic let alone the crush of activity projected for the immediate future. In its 1998 Aviation Capacity Enhancement Plan, the Federal Aviation Administration cited 27 airports that are seriously congested, experiencing more than 20,000 hours of delay annually. FAA forecasts that unless airport capacity investments are made, the number of seriously congested airports will grow to 31 by 2007.

Much of that delay is due to the lack of runway space. According to preliminary discussions with the FAA, that fact will be verified in its soon-to-be-released capacity benchmarking study, which is focused on determining the capacity situation at major airports. Runway space, the study will likely suggest, is the single greatest solution to adding capacity and reducing delays.

Two miles of runways at the top 25 delay-prone airports would take care of virtually all of the delay in the system. The solution, therefore, is 50 miles of runways.

With Additional Federal Funding in Place, Environmental Streamlining Should Be a Priority

Congress took a giant step forward in addressing the capacity crisis last year with the passage of FAA reauthorization legislation that provided significant increases in capital funding for airports and air traffic control modernization. For airports, an increase in Airport Improvement Program funding and the modest increase in the federally imposed cap on Passenger Facility Charges will go a long way toward reducing the \$3 billion annual investment gap that we faced during the previous decade. Ensuring that AIP is fully funded at \$3.3 billion in fiscal year 2002 will provide further help.

While continued Federal support is a must, the most serious challenge today in enhancing capacity lies in putting additional resources to work as quickly as possible on critical projects such as runway construction at the Nation's most congested airports. Unfortunately, the process for approving these proposals routinely gets bogged down in a seemingly endless maze of overlapping, duplicative and onerous environmental reviews. Runway projects routinely take 10 years from start to finish and many take longer.

As the General Accounting Office pointed out at a hearing last October on why runways cost so much and take so long to build, overlapping Federal and State environmental requirements can delay airport projects "without necessarily providing commensurate environmental benefits." The problem is also becoming more evident throughout the aviation industry. Several airline CEOs and a number of other groups have recently voiced support for expediting the process to approve runways.

We appreciate your recognition of the problem and your willingness to address environmental streamlining in the bill we are discussing today. We look forward to working with you as this measure moves through the legislative process.

Accelerating Process Could Add Capacity Without Harming the Environment

While no one questions the wisdom or need for strong environmental stewardship, it is clear that the current system unnecessarily delays many critical projects for the sake of process rather than environmental benefit. In our view, the need for aviation infrastructure improvements is fundamentally compatible with the need for environmental progress. It is clear, however, that the interests of our aviation system will be best served by accelerating the pace at which delay-reducing projects are moved forward. Such acceleration *should not* relax our national agenda of environmental progress.

From the standpoint of water and air quality, noise, and dozens of other environmental concerns that help to define the end product, it matters little whether the process of moving the project forward takes weeks, months, years, or decades. What is critical is getting the appropriate environmental safeguards identified early and built in as the project progresses. Airports have proven effective in accomplishing that goal, and we look forward to working with this subcommittee and the Congress to implement some common-sense procedural changes that will accelerate key project approval while maintaining strict environmental safeguards.

In the absence of such changes, we are doomed to live with a system that routinely drags runway projects out a decade or more. We simply don't have that kind of time.

The Current Process: Numerous Players, Numerous Considerations

Typically, the current environmental review process for major capacity enhancing projects begins with the incorporation of the project into an airport master plan, which is subject to FAA review and approval. Master plans almost always include preparation of initial environmental review, including key analysis of project purpose, the need for the project, and potential alternatives to the project. Master plan documents are part of the record for environmental review and provide much of the data the FAA and other agencies require for that review.

Beyond the airport master plan, the National Environmental Policy Act of 1969 (NEPA) creates the procedural framework for review of environmental impacts and for compliance with applicable Federal, State, and local laws. NEPA procedures apply to "Federal actions" that "significantly affect the quality of the human environment." Many critical capacity projects such as new runway construction typically meet that definition and as such are required to follow NEPA guidelines. In addition, several States have "NEPA-like" requirements that must be followed.

The NEPA process for airports is managed by the FAA as the lead agency coordinating activities with other Federal and State agencies as well as with the public. Other agencies or individuals involved with the NEPA process include, but are not limited to, the Environmental Protection Agency, the Fish and Wildlife Service, the Army Corps of Engineers, the Advisory Council on Historic Preservation, the State historical preservation officer, and State air and water pollution agencies.

These agencies administer the following laws, which typically are addressed as part of the NEPA process or parallel to it: The National Historic Preservation Act; The Farmland Protection Policy Act; the Department of Transportation Act; the Clean Water Act; the Clean Air Act; the Endangered Species Act; the Airport and Airway Improvement Act; the Comprehensive Environmental Response, Compensation and Liability Act; and the Resource Conservation and Recovery Act, among others. In addition, Environmental Justice must be addressed.

Building on the initial environmental review contained in the master plan, FAA and the airport work with the appropriate agencies under NEPA and other statutes to develop an environmental analysis (EA) or a more detailed environmental impact statement (EIS) when necessary. This documentation must adequately define the purpose and need for the project, identify project alternatives, and discuss the affected environment, including nearby land uses, population characteristics, future plans for the area and existing environmental conditions. FAA manages the EA/EIS process.

The EA/EIS must also discuss the environmental consequences in 20 defined impact categories. They are: noise; compatible land use; social impacts; induced socioeconomic impacts; air quality; water quality; publicly owned land of a public park, recreational area or wildlife and waterfowl refuge or land of an historic site; historic resources; biotic communities; endangered species; wetlands; floodplains; coastal zone management; coastal barriers; wild and scenic rivers; farmland; energy supply; light emissions; solid waste impact; and construction impacts.

Finally, the EA/EIS must address conflicts with other governmental objectives, policies, laws and plans; adverse environmental consequences which cannot be avoided; irreversible and irretrievable commitments of resources, and mitigation of adverse environmental impacts. When this lengthy process is finally navigated, a Record of Decision (ROD) is issued by the FAA and construction is allowed to proceed. In many cases, however, the ROD spurs legal challenges that can further delay the project.

With so many players and so many considerations, it is not difficult to imagine why the process takes so long to complete. The attached document provides a visual account of the 44-step approval process.

Case Study: Memphis-Shelby County Airport Authority

Consider the Memphis-Shelby County Airport Authority and their efforts to add infrastructure to accommodate anticipated growth at Memphis International Airport. Before construction ever began, the planning processes included two master plans, two FAA/industry capacity plans, one FAR Part 150 noise compatibility plan, one environmental assessment, and one environmental impact statement. These efforts consumed nearly 10 years of time to complete *before* construction began.

At Memphis, the initial master plan—which included the construction of a third parallel runway, the reconstruction and extension of an existing runway, the construction of new and expanded taxiways, terminal building expansion, improvements to ground transportation facilities, and the continued expansion of air cargo facilities—was begun in 1984 and completed in 1986. This phase included the development of an FAA approved Part 150 noise compatibility program to insure that capacity projects were tied to needed noise mitigation projects.

An environmental assessment of the master plan followed in 1987 to identify and quantify the effect of the proposed expansion on noise, water quality, air quality, and other impacts on communities surrounding the airport. Due to the requirement for multi-agency reviews by numerous local, State, and Federal agencies, the EA took 5 years to complete. During this time, each agency worked at its own pace and often with conflicting viewpoints on impacts and needed remediation.

Upon completion of the EA in 1991, the Airport Authority began the environmental impact statement. As part of this process, the FAA required extensive reviews and supplemental studies to be completed as a result of comments from the Environmental Protection Agency and other agencies. The attorneys for the FAA were particularly deliberative during this period because of concerns about legal challenges. A Record of Decision was finally issued in May 1993 some 7 years *after the beginning of the environmental review process*.

Thankfully, the construction aspect of the process has been more successful. The parallel runway was completed in 1996 and construction and extension of the existing runway was completed in September of 2000. In the end, the process took 16 years at a cost of \$250 million. Noise mitigation projects consumed another \$150 million.

The Memphis example illustrates the problem with the current system. At no time in the planning or review process did the airport oppose or attempt to avoid any mitigation efforts recommended or required by local, State, or Federal agencies. The extensive time delays were due to lengthy review times and disagreement among the reviewing agencies as to appropriate mitigation actions and the apparent lack of priority given to streamlining and expediting the environmental review process.

Other Examples Illustrate Similar Problems

It should be noted that Memphis is not an isolated case. Phoenix, which opened a new runway in October of 2000, offers another example of the difficulties in getting critical runways built. After deciding on proceeding with construction of a third runway at the airport in September 1989, the EIS process began in May 1990. It wasn't until January 1994, however, that a ROD was issued due in large part to the same sort of delays that plagued Memphis. Litigation, another common cause of delay, followed the release of the ROD further delaying construction.

Orlando is expected to complete a new runway in 2003, some 15 years after the project was approved by the FAA and the Airport Authority. Again, permitting and study activities consumed an inordinate amount of time before construction ever started. Detroit added one runway in 1993 and will complete another in December 2001. In both instances, the projects will have taken 8 to 10 years.

Streamlining the Environmental Review Process

With flight delays and growing concern about system gridlock and with critical runway projects planned at key airports including Detroit, Minneapolis, Orlando, Denver, Houston, Miami, Charlotte, Atlanta, Boston, Cincinnati, Washington Dulles, Seattle, St. Louis and Dallas/Fort Worth, it has never been more important to ensure the efficiency and effectiveness of the airport project review process.

AAAE and ACI-NA have developed several proposals to improve the environmental approval process for projects that would enhance capacity and reduce delay at the Nation's busiest airports. We have worked with environmental, airport planning and development professionals; key FAA staff; and environmental and aviation law experts. Our goal is to expedite the process by which airport operators, and Federal and State regulators and environmental agencies review and approve critical airport projects.

The Expedited Airport System Enhancement (EASE) initiative (copy attached) would give priority to critical airport capacity projects within the scope of existing environmental laws and better integrate application of those laws into the process for approving such projects. EASE also seeks to improve procedures at FAA and elsewhere in the Federal Government to make sure that these critical projects receive prompt and informed attention.

Key provisions of the proposal include the declaration of "Critical National Airport Capacity" Projects, which would eliminate the need for the lengthy off-airport "alternatives" process for such projects; priority processing by involved agencies of Critical Airport Capacity Projects; the establishment of an Airspace System Capacity Enhancement Council or Czar; airport funding of project-specific FAA staff or consultants for expedited review of Critical Airport Capacity Projects; the expansion of categorical exclusions; the facilitation of agreements with local governments to allow additional mitigation for Critical Airport Capacity Projects; the requirement of realistic State air quality implementation plans; and elimination of the duplicative Governor's Certificate.

Conclusion

Although the causes of airline delays are complex, it is clear that adding runway capacity remains a key challenge. In light of the current volume of travel and the projected growth within the next decade, we cannot afford to allow critical capacity enhancing projects such as runway construction at major airports to become mired in an unending process that produces no measurable environmental benefit.

Enactment of a few common-sense procedural changes can make a difference in ensuring that critical projects currently under consideration move forward responsibly and with appropriate environmental sensitivity. Success in this regard will produce profound results throughout the aviation system.

Bringing additional runways on-line is time to meet the billion passengers that the system will face by the end of the decade is critical not only for aviation but also for our whole economy. Expedited runway construction combined with ongoing efforts to modernize the tools to manage air traffic control can go a long way toward reducing airline delays and the accompanying frustration, inconvenience and lost time and productivity.

We look forward to working with you, Senator Hutchison, as well as Senator Rockefeller and other Members of the Subcommittee to bring about needed reform of this process. Thank you again for the opportunity to testify.

EASE Proposal

Note: All of these proposed measures would be limited to "Critical National Airport Capacity Projects" at a small number of specifically designated airports where

delays have serious impacts on the national air transportation system. They would not change the environmental review process or any other laws or procedures with respect to other projects or other airports. Although limited in scope, these changes would produce profound benefits throughout the Nation.

- **Declaration of “Critical National Airport Capacity” Projects**

Proposal: FAA shall establish a threshold of total annual hours of delay at the most delay-prone airports. Upon application by the sponsor of an airport having greater than the threshold amount of delay established by FAA, the Administrator shall designate the project at that airport as a *Critical National Airport Capacity Project*. In legislation, Congress would determine that, at such airports there is no alternative to a Critical National Airport Capacity Project that is consistent with the needs of the national air transportation system; and, *Congress shall declare* that no alternative other than a project at that same airport that contemporaneously produces equal or greater capacity is reasonable, prudent, feasible or possible for purposes of the Airport and Airways Improvement Act and Federal environmental review laws.

The legislation would mandate that the FAA and all other Federal agencies would be required to accept that finding as conclusive. Airports would be included only with their consent and could subsequently opt out of the designation.

Explanation: Under existing laws, the FAA and other agencies must determine whether a reasonable alternative exists to a proposed capacity project. This part of the Alternatives Analysis consumes time, money, and effort even when there is no reasonable alternative. The effect of a congressional declaration would be to avoid the delay caused by consideration of off-airport alternatives. This proposal, if enacted, would be a legislative determination that these other off-airport alternatives cannot possibly solve the Nation’s airport capacity problems. A side benefit would be to focus analysis on ways to minimize potential adverse environmental impacts through project design and mitigation. It is estimated that approximately 10–15 airport projects would qualify for designation as Critical National Airport Capacity Projects.

- **Priority Processing By All Agencies of Critical Airport Capacity Projects**

Proposal: Require by law or executive order that FAA and all other agencies conduct environmental reviews of Critical National Airport Capacity Projects on a “highest priority” basis.

Explanation: Much of the delay in environmental processing occurs outside the FAA, at other agencies. Although proper review by those agencies may take some time, this proposal would ensure that no additional time is lost while the proposal awaits the agencies’ attention. The Executive Order implementing this initiative would compel the agencies to provide adequate staffing and funding to insure compliance with the existing CEQ-established deadlines.

- **Airspace System Capacity Enhancement Council/Czar**

Proposal: Create a Council/Czar appointed by and reporting directly to the President to coordinate review of Federal agency actions as they affect capacity enhancement and environmental review.

Explanation: The Council/Czar would be responsible for examining and addressing any aspect of the system that impedes the volume of air traffic. It could be granted the authority to exempt projects from environmental and other regulations that are unnecessarily hindering capacity enhancement; or, the Council/Czar could simply facilitate coordination with the Secretaries of Transportation, Interior, Commerce, State and Defense, as well as with the Administrator of EPA, with the Chair of the Council on Environmental Quality and with the Governors. It is important, however, that such a Council not be simply another level of review, with boxes to be checked, and reviewers to be staffed.

- **Airport Funding of Project-Specific Additional FAA Staff or Consultants for Expedited Review of Critical Airport Capacity Projects**

Proposal: By law, Executive Order, or FAA action, allow airports to provide funds to FAA to hire additional, project-specific staff to supervise and implement reviews of Critical National Airport Capacity Projects. The additional staff would work exclusively under FAA’s supervision and would have no obligation to the airport.

Explanation: FAA faces serious resource limitations with environmental processing. This proposal would allow the addition of staff for the most difficult and critical projects without increasing FAA’s permanent headcount. This is solely a funding mechanism to allow the airports (and through them, the airports’ users) to pay the cost of accelerating project reviews.

- **Categorical Exclusions Expansion**

Proposal: By law, Executive Order, or FAA action, direct FAA to institute national procedures for excluding specific airport project actions from NEPA review.

Explanation: Categorical exclusions, as currently outlined in FAA Order 5050.4, constitute a successful FAA review tool that ensures compliance with environmental regulations while expediting agency review. Many, if not most major airport projects, receive approval for categorically excluded elements of the project. While extraordinary circumstances and controversy can and do prevent a specific project category from being universally excluded, apron expansions, taxiway expansions, and other capacity enhancing project elements are customarily approved. Legislative expansion would formalize consistent application of NEPA that allows specific categories of a project to be excluded from review based on historical impact findings.

- **Facilitation of Agreements with Local Governments to Allow Additional Mitigation for Critical Airport Capacity Projects**

Proposal: Legislation which would allow directed interpretations of policies on revenue diversion and use of passenger facility charges, noise and access restrictions for Critical National Airport Capacity Projects to improve mitigation of environmental impacts. Encourage FAA to agree to enforceable limits on new runways, where necessary, to ensure timely approval of Critical National Airport Capacity Projects.

- Local airport funds could be used to reach practical mitigation agreements with nearby communities, even if not traditionally permitted under existing rules on revenue diversion and PFC use. This would be tightly controlled to prevent local governments from holding projects hostage until a “ransom” unrelated to the project impacts is paid. There should be a nexus between the to-be-funded project and the airport runway (*Note: the implementing statute would acknowledge that these local communities bear a significant impact on the national need for aviation capacity and therefore, this unique exception for the “revenue diversion” restriction may be justified. This cannot be cited as a precedent for non-critical airport capacity projects*).

- FAA would be directed to make binding commitments with respect to air space management, runway use, or other operational conditions for Critical National Airport Capacity Projects, where reasonable, and subject to findings that the limitations do not substantially interfere with air traffic efficiency and safety.

- FAA would be authorized to approve noise or access restrictions on use of a new runway which is designated as a Critical National Airport Capacity Project without further compliance with the procedures under the Airport Noise and Capacity Act (ANCA), where such restrictions are fully evaluated in the EIS for capacity improvement, costs and benefits, preservation of at least the existing level of access, where the projects are deemed necessary to avoid delay in project approval/construction and authorized in the Record of Decision.

Explanation: Agreements with local governments surrounding an airport can remove or reduce opposition to a project, saving time and reducing the risk that the project will not be approved. However, those agreements sometimes require funding for purposes not currently approved for use of airport revenues, either because of the application of anti-diversion rules or limits on PFC eligibility. The expansion of mitigation would be limited, to preclude payment of cash bounties or funding of unrelated development that a community desires. Rather, the new authority would cover only costs of reasonable, project-related impacts (as determined by FAA), that go beyond current funding standards. Such expanded funding could include, for example, mitigation of traffic impacts on nearby, non-exclusive airport access roads or repairing building code deficiencies that would otherwise make soundproofing schools or homes ineligible for Federal funding.

Some projects would be easier and faster to build if communities could be assured that use of the new runway will be consistent with the assumptions built into the environmental processing (for example, time-of-day and directional limitations, limits on use for departures) but FAA historically has not been willing to give such commitments. Similarly, for those restrictions that might, theoretically, be achievable through an ANCA/Part 161 process, that process may cause added, redundant delay through review of the restriction. FAA has been unwilling to approve any actions under Part 161. In essence, the proposals relating to potential restrictions on new runway use recognize that it may be better to obtain, in a timely manner, a capacity benefit that may be less than a project’s full physical capacity, rather than to hold out for an unrestricted project that may be inordinately delayed or never achieved.

- **Require Realistic State Air Quality Implementation Plans**

Proposal: Require State Implementation Plan (SIP) inventories to be revised within 180 days of enactment of legislation to base air quality emissions inventories at airports having Critical National Airport Capacity Projects upon FAA's Terminal Area Forecast for that airport, or an alternate forecast approved by FAA.

Explanation: If a region does not meet national ambient air quality standards, the State is required to prepare a State implementation plan (SIP), that regulates emission sources. The Clean Air Act prohibits FAA from approving an airport project if it will interfere with the SIP. If the SIP already includes an allowance for the project, this process is simple and causes no delay. If the SIP does not include such an allowance, months or years can be lost collecting and analyzing data, and negotiating with air quality agencies. Many SIPs contain unrealistically low airport emissions budgets, and few realistically anticipate reasonable airport growth. Mandatory SIP revisions that realistically account for airport activity would eliminate this major source of delay and risk.

- **Eliminate Requirement under § 49 USC 47106(c)(1)(B) for Governor's Certificate**

Proposal: Eliminate, in its entirety, the requirement that each State certify that federally funded airport projects comply with applicable air and water quality standards.

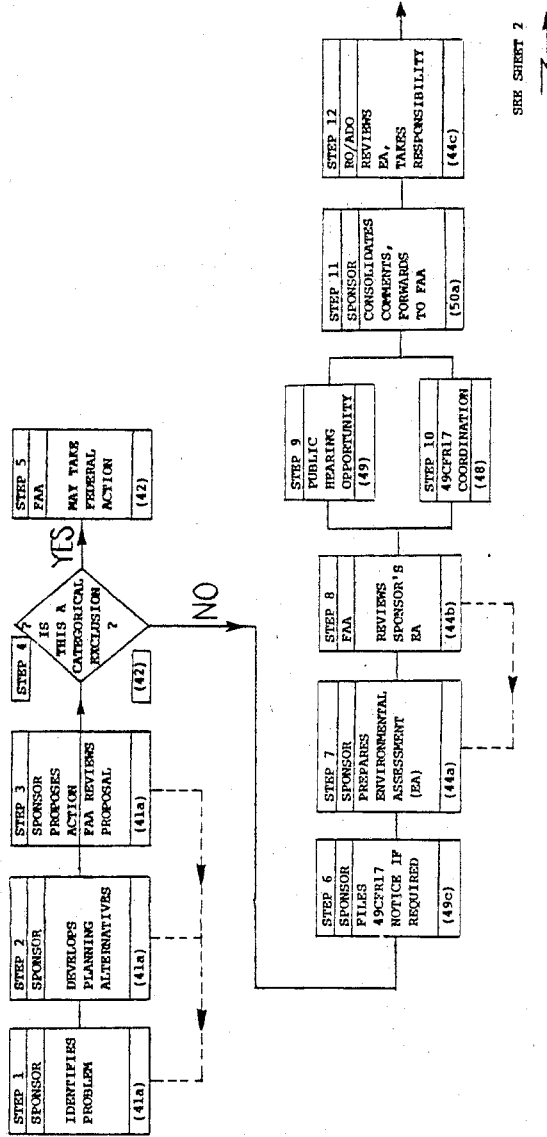
Explanation: This certificate requirement, contained in the Airport and Airway Improvement Act, duplicates existing compliance and conformity rules under the Clean Air Act and Clean Water Act.

FLOW DIAGRAM OF ENVIRONMENTAL PROCESS

SHEET 1 OF 3

(Applicable paragraphs in parentheses)

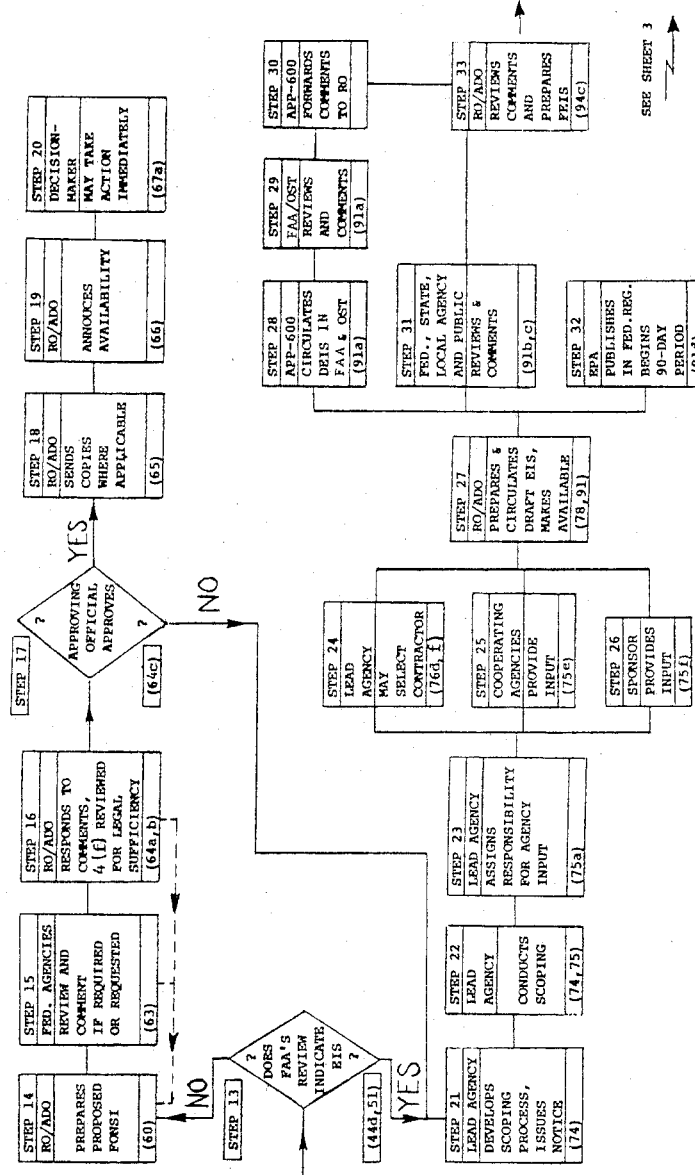
FAA Order 5050.4A
Dated 1985
Applicable As Of March 15, 2001



FLOW DIAGRAM OF ENVIRONMENTAL PROCESS

SHEET 2 OF 3

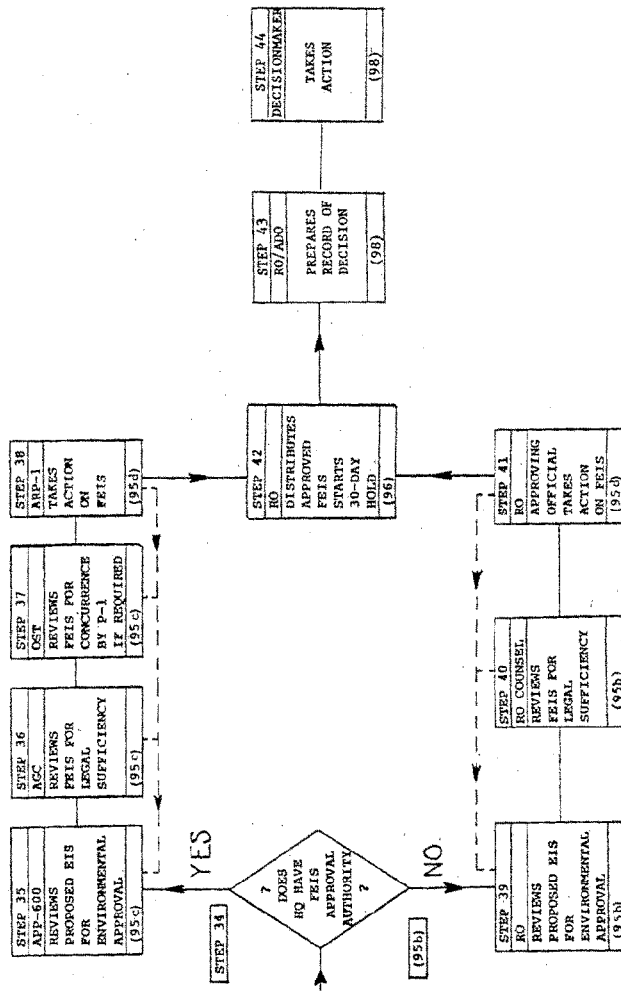
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FLOW DIAGRAM OF ENVIRONMENTAL PROCESS

SHEET 3 OF 3



Senator HUTCHISON. Thank you, Mr. Barclay.

Ms. Deborah McElroy, the President of the Regional Airline Association.

**STATEMENT OF DEBORAH C. McELROY, PRESIDENT,
REGIONAL AIRLINE ASSOCIATION**

Ms. McELROY. Thank you, Madam Chairwoman, Senator Rockefeller, and Members of the Subcommittee. We appreciate the opportunity to present our views on this critical issue. RAA has 52 members, and they carried 95 percent of the regional airline passengers last year. Our members serve 442 commercial airports in the Lower 48 States, and at 271 of these airports we provide the only scheduled airline service.

Last year, we carried 85 million passengers, which means 1 in 8 domestic passengers flew on a regional airline. FAA and industry projections indicate that over the next 5 years, passenger enplanements will increase to 117 million.

I am sure it is no surprise to any of you that airport access our top concern. Without it, our ability to grow will be limited, and regional jet and turboprop service to small communities could be reduced or eliminated. We know there are no easy solutions to the problems causing airport delays. However, we oppose the approach under discussion that will add large premiums for landing during peak hour times.

Proponents acknowledge its objectives is to force airlines to spread out their flights and to encourage use of larger airplanes. This will seriously impact air travelers in smaller communities which, given the size of their markets, are generally unable to support service by larger aircraft. Because congestion pricing mechanisms mean significantly higher landing fees, the airlines will be forced to raise fares in these markets.

The burden of this approach falls squarely on citizens residing in small communities, as they are far less likely to have the passenger base to absorb the higher fares. Ultimately, such a pricing mechanism could lead to reduction or elimination of air service, which again is of critical concern for those 271 communities that depend on regional airline service.

Proponents also suggest that congestion pricing will force smaller carriers to use alternative airports. However, this approach fails to recognize the role regional airlines play in the aviation infrastructure. We bring passengers from the small communities to the hubs and to the large cities. Relegating us to alternative airports allows a fundamental disconnect between regional airlines and their major partners.

While congestion pricing seems to offer immediate relief, implementation of demand management schemes will do nothing to resolve the underlying systemic problem of inadequate airport capacity. It runs counter to the leadership this Subcommittee and your colleagues in the House showed in passing the Wendell Ford Aviation Improvement Reform Act.

FAIR 21 was designed to increase access and competition through the entire aviation sector. Demand management will only stay its momentum by reducing the incentive for FAA in some airports to undertake vital capacity improvements.

At its root, congestion pricing offers a quick, short-term fix to a long-term complicated problem. The problem is that capacity is not going as fast as demand, and we appreciate the approaches that you have taken in this bill to resolve that issue. We understand that airport capacity is difficult, and one of the biggest problems lies in the environmental process.

We wholeheartedly support the efforts to streamline and facilitate the needed procedures. Congress should also consider requiring State air quality implementation plans to allow for realistic airport growth. Likewise, the FAA should identify airports where environmental reviews are blocking critical access to the system and grant them priority within the scope of the current law, so these critical expansion projects receive prompt attention.

We recognize that airlines have a role to play as well. Already, as I am sure you know, several major airlines have adjusted the schedule of their largest airports, including the schedules of their regional partners. We are also looking forward to the FAA's benchmark study. This will provide additional efforts to help facilitate these movements by the carriers.

We also believe that proposals creating limited antitrust access to airlines seeking to address congestion deserves consideration. While airline scheduling adjustments and environmental streamlining are important efforts in increasing delay, there is no silver bullet solution. Instead of seeking a quick fix, all sectors of the aviation community must work together to make incremental capacity enhancements, and look at other technology such as that proposed by the FAA with new air traffic controller tools which will simultaneously improve safety and efficiency in the management of aircraft.

Well-timed and affordable access to airline service is essential for the economic viability of small and medium-sized communities. It is their air travelers who seek to optimize their business day by traveling at times that are most cost-effective or convenient. Air travelers demand frequency, convenience, and choice from regional airlines whether they live in Pittsburgh or Peoria. It is unfair to constrain either of these elements due to coincidence of location. All communities have a fundamental right to equal access to the air transportation network, and congestion pricing promises to violate that right.

Thank you very much, and I will look forward to the opportunity to answer questions.

[The prepared statement of Ms. McElroy follows:]

PREPARED STATEMENT OF DEBORAH C. McELROY, PRESIDENT,
REGIONAL AIRLINE ASSOCIATION

Good morning, Madam Chairwoman, Senator Rockefeller, and distinguished Members of the Subcommittee. Thank you for providing this opportunity to comment on potential solutions to the issues of aviation congestion and delay.

Background

I am President of the Regional Airline Association, a trade association representing 52 regional airlines in the United States. Regional airlines operate short and medium-haul scheduled airline service linking smaller communities with larger cities and connecting hubs, operating modern and technically advanced turboprop and regional jet aircraft. RAA member airlines carried over 95 percent of the regional airline passengers in the United States last year.

Today, regional carriers serve 442 commercial airports in the Lower 48 States, and at 271 of these airports, regional carriers provide the sole source of scheduled air service. Regional airlines are growing at impressive rates; in fact, we're the *test* wing segment of commercial aviation. In the year 2000, regional airlines carried 85 million passengers, which means that approximately 1 out of every 8 domestic passengers traveled on a regional carrier.

FAA and numerous industry analysts have predicted that we're going to keep growing, and within the next 5 years, passenger enplanements are projected to exceed 117 million. This growth in our industry will mark an improvement in our Nation's air transportation system overall, as many communities reap the benefits of increased access to the national air transportation network. Likewise, the growth will be good for our 52 airline members, for their employees, and for the economic viability of small and medium-sized communities across the Nation as our industry becomes stronger still.

As a by-product of our growth, regional jets, commonly referred to as RJs, are comprising more and more of the regional airline fleet. By 2005, we'll have more than 1,600 regional jets in service. While regional jets have performance capabilities similar to or, in some cases, better than their mainline narrow-body counterparts, we will increasingly rely on ATC and airport expansion to accommodate our growing fleet.

I'll take a moment, while discussing RJ growth, to talk about turboprops. Despite what you hear from some industry analysts, turboprops will remain an integral part of regional airline service for the foreseeable future. Because of higher operating costs and fuel issues, regional jets are inefficient on short-haul routes under 350 miles. This means that turboprops are still the only viable option for communities too small or too close to a large airport to support RJ service. Nonetheless, RJs are becoming a staple of regional air service, and may represent over 50 percent of the regional fleet and carry 70 percent of our passengers by 2005.

Impact of Growth

Along with the positive impacts of this growth, we see storm clouds on the horizon. Airport access is our top concern. Without it, our ability to grow will be limited, and regional jet and turboprop service to small communities could be reduced or even eliminated.

The problem, as we all know, is congestion. Demand for air travel is currently pushing the limits of supply, and we take this problem very seriously because airport congestion and subsequent delays are making air travel an increasingly frustrating experience for our passengers and their employees.

As Congress, the FAA, airlines, airports, and the Nation at large struggle to find answers to aviation delays, we welcome the opportunity to testify on this issue because we believe we can be part of the solution. Still, we know that the path to resolution will not be an easy one.

Federal policymakers and officials at some of the Nation's busiest airports have suggested a controversial response to aviation gridlock: hefty premiums for landing during peak travel hours. RAA opposes this approach because it carries with it adverse economic consequences for small and medium-sized communities. The fallout inherent to such an approach could prove fatal to small community air service in every State.

Most proponents of congestion pricing acknowledge its' objective is to force airlines to spread out their flights and encourage a return to bigger planes, thereby easing congestion by managing demand. The most immediate problem with this approach is its serious, immediate, and potentially irreparable impact on air travelers in smaller communities. The smaller aircraft that proponents of a demand-management approach would seek to consign are the very same regional carriers that serve small and medium-sized communities across the Nation; communities with little or—in the cases of 271 airports served exclusively by regional carriers—no other air-travel options.

Because congestion pricing mechanisms means higher landing fees, an airline would have to pass these charges along to passengers in the form of higher fares in order to remain competitive. The burden of this approach falls squarely on citizens residing in small communities. Airlines serving smaller communities with regional aircraft are far less likely to have the passenger base to absorb higher fees consequent to congestion pricing.

Ultimately, such a pricing mechanism could lead to reduction or elimination of air service if increased fares result in significantly decreased traffic. Rather than embark upon the fool's errand of offering such service, most regional airlines would be forced to operate at off-peak hours or not at all, thereby relegating passengers traveling to and from smaller communities to the least convenient form of air transport.

And when passengers have to travel at inconvenient times, they lose the ability to conveniently connect to a major airline as they continue the journey, inviting additional overnight stays to their trip at significant costs.

Proponents suggest that congestion pricing will force smaller carriers to use alternate airports, allowing more access for the big jets. Airports adopting this approach fail to recognize the role regionals play in the aviation infrastructure: We feed the hubs. Relegating us to alternate airports allows a fundamental disconnect between regionals and their major partners. Elimination of hub-feeding regional service would have sweeping, negative impacts on the air transportation infrastructure as a whole, as mainline passengers already shouldering congestion fees would likely see further fare increases as the passenger base decreases with regional airline passengers traveling.

Disenfranchising small and medium-sized communities from the national transportation system is not an appropriate response to congestion and delay.

While congestion pricing seems to offer immediate relief, implementation of demand management schemes will do nothing to resolve the underlying, systemic problem of inadequate airport capacity. Further, RAA believes strongly that congestion pricing runs counter to the tremendous leadership this committee and your colleagues in the House offered in passing the Wendell Ford Aviation Improvement Reform Act last year, laying the groundwork for building and maintaining a healthy and vibrant national air transportation system. If FAIR-21 was designed to increase access and competition throughout the entire aviation sector, demand management will surely stay its momentum by reducing the incentive for FAA and some airports to undertake vital capacity enhancement projects. Instead, airports managing demand might squeeze by for several more years without pouring concrete.

At its root, congestion pricing offers a quick, short-term fix to a long-term, complicated problem. The problem is that capacity is not growing as fast as demand. And in the long term, this problem must be addressed through expansion of the system.

Addressing Capacity Constraints

Congress showed leadership last year, by providing the funding necessary for airports to build new runways and enhance existing ones. This means that the ability for airports to meet increased demand will be enhanced, in some fortunate circumstances, by the construction of additional runways and other physical adjustments to airport runway and taxiway layouts.

We understand that undertaking airport expansion can be difficult and often politically contentious. One of the biggest challenges to expansion lies in the slow pace of identifying the environmental safeguards that need to accompany such expansion. Because environmental protections are so important, RAA is pleased that many airports around the country demonstrating heightened environmental sensitivity by hiring specialists to design environmentally friendly airport improvement projects. This heightened environmental sensitivity makes it possible to expedite the environmental review process without relaxing even slightly our national agenda of environmental progress.

That is why we wholeheartedly support efforts to streamline and facilitate the National Environmental Policy Act (NEPA) procedures, so that environmental reviews at the State and local and the Federal level can be done concurrently, not consecutively. Congress should consider requiring State air quality implementation plans to allow for realistic airport growth. Likewise, the FAA should identify airports where congestion is blocking critical access to the system and help those airports take action to alleviate the problem. These airports should be granted priority status within the scope of the current law so that these critical expansion projects receive prompt and informed attention. Congress should also consider exempting certain projects at those airports from NEPA review.

We are looking forward to seeing the results of the FAA's benchmarking report in the next few months. For airports that have exceeded the FAA-declared threshold on total annual hours of delay, Congress should dispense with the current system of considering off-airport alternatives, because such off-airport alternatives cannot possibly solve the Nation's airport capacity problems and consideration of alternatives that do not exist only serves to build even more delay into the NEPA review process. Bearing in mind the importance of environmental protections, airports should continue to focus analysis on ways to minimize potential adverse environmental impacts through project design and mitigation.

Airlines have a role to play, too. Already, larger carriers are independently looking at how they can adjust schedules—including those of their regional partners—to alleviate congestion and delay. As part of this process, RAA believes that pro-

posals granting limited antitrust immunity to airlines seeking to address congestion deserves careful consideration.

While airline scheduling adjustments and environmental streamlining are important efforts at easing delay, there is no silver-bullet solution. Instead of seeking a quick-fix, all sectors of the aviation community must work together to make incremental capacity enhancements, and we must continue to look at other solutions, such as new technology and air traffic controller "tools," which will simultaneously improve safety and efficiency in the management of aircraft that are arriving, departing and taxiing at airports.

Conclusion

In the 25 years that RAA has been representing regional carriers, we have often represented a dual constituency, and have often found ourselves one of the few voices of advocacy for small community air service. In this capacity we have met with many of you and we have met with the airport directors of many of these small communities. And the message has been clear: Well-timed and affordable access to airline service is essential to the economic viability of these communities.

It is important to remember that peak demand periods of travel at airports are determined by air travelers who seek to optimize their business day or leisure travel by traveling at times that are most convenient. Air travelers demand frequency, convenience, and choice from airlines, whether they live in Pittsburgh or Peoria. It is not fair to constrain either of those service elements due to a coincidence of location. All communities have a fundamental right to equal access to the air transportation network, and congestion pricing promises to violate that right.

Madam Chairwoman, this concludes my prepared statement before the Committee. I look forward to addressing questions that you or any Member may have. Because our very growth depends on it, the issue is an important one to us and I therefore welcome your comments and suggestions in addition to your questions, as we continue to seek solutions to the problem of congestion and delay.

Thank you.

Senator HUTCHISON. Mr. Ronald Swanda, the Vice President of Operations for the General Aviation Manufacturers Association. Welcome.

STATEMENT OF RONALD SWANDA, VICE PRESIDENT- OPERATIONS, GENERAL AVIATION MANUFACTURERS ASSOCIATION

Mr. SWANDA. Good morning, and thank you, Madam Chairwoman and Ranking Member Rockefeller. It is a pleasure to be here today. I would like to submit my testimony and make just a couple of brief summary comments, because I know you have a lot of questions that we perhaps could answer for you.

There is no doubt this is a timely and relevant hearing. Our Nation has clearly bumped up against the capacity of air traffic control system. Our whole air traffic transportation system demand has increased. We have a very important question before us today, and that is, should we manage that demand, or should we increase the capacity of our system. GAMA believes that the best solution is to increase capacity wherever we can.

We are very pleased that the bill that is before you has some provisions that would improve the process for increasing system capacity, and we certainly support that. It is a clear sign that the Congress has chosen increasing capacity as the favorable solution. There are, however, other technologies and procedures that are important, as the Department of Transportation has noted.

However, the Mitre Corporation believes that even if we did all of these technologies and procedures, it may only add as much as 5 to 15 percent into our capacity, so clearly, increasing airport capacity is also an important part of this, and it is very important that we make this a national priority.

We have risen to these challenges before. We think that the country can certainly do it. AIR 21 has put many of the pieces in place to begin this already. However, as enthusiastic as we are about increasing capacity, we are also equally concerned about some of the proposals to manage demand. We agree, frankly, with Secretary Mineta that rationing demand is an admission of failure that harms the economy and traveling public when we ration demand. One way of managing demand is peak hour pricing. We are encouraged that it is not in this legislation.

We oppose it because it basically would reregulate the industry. Admittedly, it is not the type of regulation that we had in 1978. However, it is insidious regulation, because it would determine the size and frequency of aircraft that operate at an airport. It would present the biggest detriment to small communities and midsize communities that general aviation serves. Many times, we provide the only access into the air transportation system for these areas.

We recognize that some Members of this Subcommittee and others might think that some sort of reregulation is appropriate. However, peak hour pricing is reregulation with a twist, in that it does not actually improve service to small and medium-sized communities. It ends up limiting it, and we do not believe that that is the appropriate way to go.

The large cities are points of commerce in our country, and it is general aviation combined with the commuter industry and the airline industry that provides access into these cities. If general aviation does not have access, then in order for business to transact its commerce it will have to be in the large cities, which would only add to many other problems that we have before us today in those areas.

We are not concerned about access at these airports, because we are a large part of the traffic. In fact, in many cases we are only 4 to 5 percent of that, and believe me, the general aviation traffic, if they can, they would rather go somewhere else, and often do, and that is very positive. However, there are times when it is necessary to either connect with airlines or perhaps get service for aircraft, or other reasons such as medical deliveries, that general aviation has to be at these airports.

We do think it is important to maintain some sort of reasonable access for general aviation into congested airports. We are not asking for additional slots, just reasonable access.

Many studies available today show that at every airport in the Nation, there are times when there is unused capacity. Runways, in particular, are not constantly being used, so it makes sense to continue to accommodate reasonable access for general aviation.

GA is a vital link for our air transportation system. I just want to leave you with the thought today that it is important to maintain our access to those airports.

Thank you for the opportunity to speak with you.

[The prepared statement of Mr. Swanda follows:]

PREPARED STATEMENT OF RONALD SWANDA, VICE PRESIDENT-OPERATIONS,
GENERAL AVIATION MANUFACTURERS ASSOCIATION

Madam Chairwoman, Senator Rockefeller, and Members of the Subcommittee, my name is Ron Swanda and I am Vice President-Operations of the General Aviation Manufacturers Association (GAMA). GAMA represents approximately 50 manufac-

turers of general aviation aircraft, engine, avionics and component parts located throughout the United States.

General Aviation

As everyone on this Subcommittee well knows, general aviation is defined as all aviation other than commercial and military aviation. General aviation is the backbone of our air transportation system and the primary training ground for the commercial airline industry. It is also an industry that contributes significantly to our Nation's economy.

General aviation aircraft range from small, single-engine planes to mid-size turboprops to the larger turbofans capable of flying non-stop from New York to Tokyo. These aircraft are used for everything from emergency medical evacuations to border patrols to fire fighting.

They are also used by individuals, companies, State governments, universities and other interests to quickly and efficiently reach the more than 5000 small and rural communities in the United States that are not served by commercial airlines. General aviation allows these thousands of small communities to access the global marketplace.

Importance of Transportation

I would like to thank the Subcommittee for holding today's hearing. It is timely and relevant.

Madam Chairwoman, the quality of life of all Americans and strength of our Nation's economy is inextricably linked to our Nation's transportation system.

There is nothing new in that statement. Economists and historians have long understood the connection between the quality of a Nation's transportation system and the strength of its economy. However, I think it is a statement worth making today because of the critical juncture at which we find ourselves with regard to our air transportation system.

Demand for Air Travel

For the better part of the past decade, demand for air transportation in the United States has been growing at a remarkable rate. Since the early 1990s, the number of airline passengers has increased by approximately 40 percent and the number of freight ton-miles flown has increased 90 percent. General aviation—which just a decade ago was in serious decline—has just posted its sixth straight year of growth.

FAA projects that demand for air transportation will continue to grow well into the foreseeable future. What is uncertain, however, is whether or not our country will take the steps necessary to accommodate that demand.

As everyone on this Subcommittee well knows, the growing demand for air transportation has clearly begun to run up against capacity constraints at a handful of airports in our national system. The delays created at those airports are having a significant ripple effect all across the United States.

As a country, we now have to ask ourselves how we are going to respond to this situation.

Expanding Capacity

Are we going to do what is necessary to increase capacity in order to safely meet demand, and thereby enjoy the benefits that come from a free flow of people, goods and services? Or are we going to constrain or manage demand, and hope that the techniques we employ do not do too much harm?

The General Aviation Manufacturers Association is pleased that legislation we are discussing today includes a provision to implement an expedited coordinated environmental review process for airport capacity-enhancement projects. We view that provision as a sign that Congress is interested in expanding capacity to meet demand, and there is certainly no more effective way to do that than building new runways at capacity constrained airports.

As you know, new technologies and new procedures are being developed that can increase system efficiency. GPS, Datalink, ADS-B and WAAS/LAAS can be very helpful in our efforts to increase capacity. All of these technologies are important building blocks for improving our evolving air system. We hope that they will be certified in the very near future. However, we should be careful not to raise expectations for technological solutions beyond what they can deliver.

Mitre, NASA, and other technical organizations have reviewed all of the capacity-enhancing technologies and procedures that are on the drawing board and have concluded that the cumulative effect of fielding all of these technologies would increase capacity by roughly 5 to 15 percent. Now a 5 to 15 percent increase in capacity is important and should be vigorously pursued. However, it is not enough to enable

us to meet the growing demand for air transportation. That will take a much greater effort by all of us.

Set a Capacity Goal

Increasing the capacity of our Nation's air transportation system must be made a national priority. We need to set a goal for increasing capacity over a finite period of time and develop a plan for attaining it.

The United States has a proven record of rising to the challenge when the goal is clearly defined. Remember that 40 years ago we set out to put a man on the Moon and we accomplished the task in less than 10 years. If we could do that then, we can no doubt meet the challenge the traveling public is presenting to us today—we can increase capacity of our air transportation system to safely meet demand.

Congress has already provided important tools in this regard. AIR 21 substantially increased AIP funding and made significant changes in the managerial structure of the FAA. Now we must make a national commitment to using those tools to keep the U.S. air transportation system the largest, safest and most efficient in the world.

Rationing Demand

As much as GAMA supports efforts to increase capacity, it is concerned about ideas that seek to constrain or manage demand.

We agree with Transportation Secretary Norm Mineta who has called demand management “an admission of failure that harms the economy and the traveling public.” One particular method of constraining or managing demand is what is known as peak hour pricing. Under this form of demand management, busy airports would be allowed to charge exorbitant landing fees on a per aircraft basis.

GAMA opposes peak hour pricing for a variety of reasons, not the least of which is that it represents government reregulation of air transportation. By allowing peak hour pricing at certain airports, the U.S. Government would once again be sanctioning a system for artificially determining what cities get service and what type of airplanes will be used to provide that service.

Under peak hour pricing, the government's control over air transportation might not be quite as direct as it was prior to 1978 when it set specific rates and schedules. But it is clear that peak hour pricing would effectively eliminate service to small communities by pricing general aviation and commuter airlines out of those markets. New entrant carriers would also suffer because they could not absorb the exorbitant landing fees over a broad network of operations. Even the major carriers would find that the system forces them to use larger planes than market conditions would otherwise warrant.

We recognize that some Members of this Subcommittee support the idea of government reregulation of air transportation. However, our understanding is that their reason for supporting reregulation is so that service to small markets might be improved.

The irony of peak hour pricing is that it is government reregulation but with a twist. It is government reregulation that eliminates—rather than improves—service to small and rural communities.

The fact that peak hour pricing favors service to and from only those large markets that can support big jets full of people means that businesses that need to reach major cities will themselves need to be located in one. As a result, sprawl and the other problems associated with our Nation's biggest cities will be exacerbated rather than reduced. And the promise that advances in telecommunication technology once held for our Nation's smaller communities will be dashed because quality air service will not exist.

There is also a question as to what an airport will do with the fees it raises. Will it invest in new runways to eventually meet demand and thereby eliminate the need for peak hour fees? Or will it use the largess it receives from not meeting demand to simply gold plate its facilities for those big city passengers who can afford service?

The general aviation community is not concerned about peak hour pricing or other demand management ideas because we have a large number of airplanes going into the busiest airports—we don't. In fact, general aviation makes up less than 4 percent of the traffic at the five busiest airports. We prefer to use reliever airports when they are a practical alternative.

Moreover, what little general aviation there is at the major airports often does not arrive or depart at the same time as the airline banks. And, in places like Reagan National Airport, we use runways that are not long enough to handle the traffic from the major airlines.

Still, we think it is important for general aviation to have at least some reasonable level of access to commercial airports. General aviation is used by companies and individuals in small and rural communities to reach big cities or to connect with the passenger airlines. DOT studies show that every airport in the United States has at least some unused capacity every day. With that being the case, what is wrong with general aviation turning that unused capacity into important air service?

General aviation also feels it is important that we maintain a reasonable level of access to the commercial airports because our Nation's system of reliever airports is, in some areas, under attack. Examples include Chicago's Meigs Field, where this important downtown airport is slated to be turned into a park next year. And in Denver, an apartment complex was just built at the end of a runway of one of the country's busiest general aviation airports.

Conclusion

Madam Chairwoman, as I said at the beginning of my testimony, general aviation is a vital link in our Nation's air transportation system and an important engine for our Nation's economy. As such we are anxious to work with the Subcommittee on efforts that will keep the United States the world leader in all aspects of aviation now and in the future.

Growth in demand for air transportation has brought us to a critical juncture in our Nation's aviation history. We hope that Congress will take this opportunity to commit our country to expanding our air transportation infrastructure to meet the demand of its citizens. We stand ready to assist in that effort and look forward to working with you and the other Members of this Subcommittee to do just that.

Senator HUTCHISON. Thank you, Mr. Swanda.

Well, I want to thank all of you. I think you have added a lot to the body of our knowledge.

I want to start questioning with you, Ms. McDermott. We have all talked about the environmental reviews running concurrently, and I just want to ask why the Department of Transportation has never done this before, on its own?

Ms. MCDERMOTT. Where we are at the moment is that we have heard this very loud and clear. In AIR 21, the FAA was instructed to look at ways to streamline the environmental review process, and it is concluding its late report very shortly, perhaps in late April, and we will use this report, as I noted earlier, as a basis for discussion.

Senator HUTCHISON. Do you think you need congressional authority to do that?

Ms. MCDERMOTT. To streamline environmental review?

Senator HUTCHISON. Yes.

Ms. MCDERMOTT. It will depend on how the State environmental reviews will compare with the Federal statutes. When the FAA finishes the streamlining review, we will have a clear recommendation as to whether additional authority will be needed.

Senator HUTCHISON. So you need the authority to coordinate with the States?

Ms. MCDERMOTT. That is correct.

Senator HUTCHISON. All right.

Let me ask Mr. Fegan, and perhaps Mr. Barclay if you have something to add to this. All of us have been talking about environmental reviews that cause the delays when they run one after another, but there are also the lawsuits. There is a strict requirement for a Federal lawsuit to be brought 60 days after the final review, but we have not talked about State lawsuits. I just want to ask if you think that this should be addressed as well?

Obviously, we cannot require an end to a process, but we can certainly require an end to the beginning of a legal process. That is,

if you think an end would add to the expediting of the procedures, or are State lawsuits not the real cause of the delay problem?

Mr. FEGAN. Madam Chairwoman, I am probably speaking on a topic that I am not an expert on. In our last process we went through, in terms of DFW's EIS and the legal challenges, I am not aware of any State lawsuits that were filed. It was mostly on the Federal level, and I guess we also had somewhat of an issue related to zoning authority, which was a State issue. But I certainly think that that would go a long way to make sure we understand all the issues out there by requiring that those lawsuits be filed within a certain amount of time. I think it would be very helpful.

Senator HUTCHISON. Is there anyone else that has had experience with the State lawsuits, and whether that is also a problem?

Mr. BARCLAY. We can find that and provide it for the Subcommittee, Madam Chairwoman. I do think you should worry about that in crafting a legislative response, but the low-hanging fruit here is, as we point out in our testimony, there are 14 major airports that have runway projects that have gone through their local process and are somewhere in the Federal process. We have got the example of Memphis, which had no local opposition whatsoever, and it took them 16 years to complete their runway project.

Senator HUTCHISON. So then, the problem is mostly environmental reviews?

Mr. BARCLAY. Yes, and a variety. DOT has trouble doing this on their own, when the Corps of Engineers is involved, CEQ, a variety of Federal agencies need to be incorporated, and depending on the State you are in you can also have a variety of State agencies to be coordinated, so national legislation that considers all of those players and puts a deadline on their reviews would be extremely useful.

Senator HUTCHISON. Mr. Fegan, you mentioned a revalidation process. You have already received your environmental impact statement for another runway, but even though it has been approved once, you are still trying to put that runway in place. What is the revalidation process, and why are you having to do that?

Mr. FEGAN. Well, when we received our record of decision on our two new runways the record of decision basically stated that a revalidation process would have to be done for the eighth runway, since the eighth runway was going to take place later in the future. The revalidation process, we understand, is a process by which the project does not change, or if the assumptions that went into the assumptions do not change substantially, you go through that process of looking at all the environmental impacts, and then comparing it back to what was stated in the earlier documents.

I think, though, that considering the potential controversy over runway development as well as some of the changes that have taken place, such as the changes in the fleet mix and things along those lines, I would expect that this revalidation process will be very similar, if not identical to a full-blown environmental impact statement.

Senator HUTCHISON. How long would it take, normally?

Mr. FEGAN. Well, I think the technical analysis required to draft the document probably is about a year to 18 months, and then the

review process really starts after that, and that could take another 18 months or longer.

Senator HUTCHISON. So you are talking about possibly two 18-month periods or longer for something that has already been done once?

Mr. FEGAN. That is possible. I expect at least a year on the document, and probably another year to 18 months on review, I would expect.

Senator HUTCHISON. Mr. Rockefeller.

Senator ROCKEFELLER. Thank you, Madam Chairwoman.

If we agree that about 1 in 4 flights are being delayed, which you all have, and if we agree that a lot of that takes place in New York, and Jane Garvey recently had to do a lot of cutting back on her own there, how do you do congestion, and work with antitrust immunity?

In 1978, in the JFK-Los Angeles market, we had 13 flights daily that had 5,035 seats, and today, 23 years later, we have 27 flights JFK to Los Angeles, which is 107 percent increase in non-stop flights, but actually fewer seats being used. Now, that obviously creates the possibility of something that worries me very much, and that is the shutting down of service slots, aircraft, et cetera, to small communities.

If we give carriers antitrust immunity, is it possible that we will see carriers use larger aircraft in these types of markets which would then in turn presumably, mathematically free up more flights to small communities, of which there are hundreds and hundreds in this country. Chip, Ms. McElroy, or anybody who wants to comment, I would be interested in your views.

Mr. MERLIS. Well, I will comment, sir. I think you pointed out what part of the problem is. If you do not have any guideposts in this antitrust immunity as to what is anticipated, then you might not get the result you like. Alternatively, you might get the result that you like. I mean, the airlines could theoretically, as part of that process, upgauge, and instead of having, what was it—27 flights, you have 13 flights a day in wide-bodies, freeing up some space.

But then, along comes an airline that never participated in this antitrust review and says, "I want to fly that market," and it picks hours of the day when the other carriers who have participated are not flying, and they are harmed by having agreed to up gauging.

It is a very sensitive and difficult issue to do without having specific guideposts.

Mr. BARCLAY. I think you have pointed out one of many potential outcomes of that kind of meeting. I am no expert in this area, but I would suggest the Subcommittee might look at the history of antitrust immunity for slot committees which did occur at both National and LaGuardia in the past, and it is my understanding that they would have the Government in the room with them—so it was not behind closed doors alone.

It is my understanding that those worked for a number of years while things were very stable, and there were not new entrants that wanted to come into the market and everything was sort of status quo. As soon as you had New York Air and a number of other players coming in and saying we want to provide new serv-

ices to these airports, the Government went away from the anti-trust immunity and the carriers meeting and trying to agree, and went to lottery mechanisms and other things for the allocation, so that history might be useful in guiding the Subcommittee.

Senator ROCKEFELLER. OK. Senator Wyden brought up the question of this meeting behind closed doors, and that is interesting. As soon as you say closed doors, people get very nervous. I would like, Susan McDermott, your interpretation of what happens when the U.S. Government is behind those closed doors with the airlines. How does that, or does that not, begin to answer Senator Wyden's concern?

Ms. McDERMOTT. Clearly, having an observer from the Government and having an understanding of what the rules are as to what carriers may or may not discuss can mitigate some of the concerns. It is quite clear that the intent of the proposals for antitrust immunity is to limit carriers to discuss only mitigation of congestion issues. There still remains important competitive issues that need to be addressed as one looks at both sides of the question. It is a question that we at the Department know is out there. There are proponents and there are detractors, and everyone understands it as a matter that we should look at.

Carriers are capable of engaging in strategic behavior with regard to their own markets and their most important services, and whether a third party, a Government representative, would help to mitigate such behavior, I could not fully say.

Senator HUTCHISON. Senator Rockefeller.

Senator ROCKEFELLER. Could I ask—no, I will not. I will wait for the next round.

Senator HUTCHISON. Senator Wyden.

Senator WYDEN. Thank you, Madam Chairwoman, and I only want to make clear both to Senator Hutchison and Senator Rockefeller I support what you want to accomplish. I think your point with respect to large carriers and small airports is a good one. I just hope we can figure out a way, working with the Department and the industry and the two of you, that makes it so that there is a public record of some sort, because I support completely where you want to go.

The question I have for you, Ms. McDermott, is, we found a Federal regulation. Let me just read it to you: "It is the policy of the Board to consider unrealistic scheduling of flights by any air carrier providing scheduled passenger transportation to be an unfair deceptive practice and unfair method of competition within the meaning of the Act." It looks to us that you currently have the authority to consider unrealistic scheduling practices to be an unfair and deceptive practice. Has the Department ever used that authority, and if not, is this a resources problem, or perhaps you could tell us what the Department's record is on that.

Ms. McDERMOTT. Well, indeed that regulation is on the books, and has been for many years. To my knowledge it has been used very infrequently.

The regulation is written in the sense that the Department has the authority to prevent unrealistic scheduling on the part of an air carrier. If we look at what is happening at some of our most con-

gested airports, it appears that no single carrier really schedules flights that in total exceed the capacity of the airport.

It is however, the collective schedule of all carriers that brings the capacity beyond the capability of the airport. We are looking at it once again to see whether it could have a current application, but one must keep in mind, again, that this is a collective concern, and not an individual airline concern.

Senator WYDEN. Well, I hope that you will look at using that particular regulation. What we have heard in our earlier kinds of hearings is that again and again the outside audits, the independent audits have shown that even when the weather was perfect, even when you had the maximum number of runways operating again in ideal situations, they could not possibly keep up with those schedules. I am troubled, frankly, about this question of the airlines overpromising. I support the effort to streamline these reviews. There is no question that we need more runways. Demand is unquestionably exceeding capacity. I think we ought to look at using existing authority where it is possible. If you go back and look at some of what Ken Mead has done and what the GAO has been talking about for this Subcommittee and others, I think it is on all fours with this question of unrealistic scheduling.

We are anxious to work with you, and with the industry folks. As I indicated to Senator Rockefeller, I want to work this bill out. We did it on passenger rights. I think we can do it on this as well. I hope we can figure out a way to have these discussions in public, because I think to do it behind closed doors, even when there is that Department of Transportation representative, without a public record, is to invite trouble.

I look forward to working with you, Madam Chairwoman and Senator Rockefeller and our colleagues.

Senator HUTCHISON. Thank you, Senator Burns—I mean, Senator Wyden.

Senator Burns.

Senator BURNS. Which one do you want?

Senator HUTCHISON. I think I will go back to Senator Wyden.

[Laughter.]

STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Senator BURNS. I am happy to hear that finally other segments of the economy are finally being impacted by the NEPA process. You know, we come from Montana, and we have a lot of public lands. We have been fighting this process a long time. I congratulate the Chairwoman and the Ranking Member on this bill of trying to expedite the NEPA process and to get it going.

Mr. Fegan, you know, maybe the same thing is happening in the airline industry as happened in energy. We see the curve going up of increased demand for travel from more people, and yet our ability to construct or to handle the infrastructure of those people continues to grow at a slight 1 to 2 percent, but our demand for travel is going up over 20 percent, and basically that is kind of the figures—those are not the true figures, but I use that as an example of our energy needs.

Now, there will be those of us that maybe would lean toward maybe some reregulation, but how do you regulate when you do not have any supply. So, how long would it take you if you wanted to design a new runway, starting today, before you could probably have that runway into operation?

Mr. FEGAN. Senator, I think it probably varies from airport to airport. You know, I think on a very aggressive schedule, from the time you have identified the need, have gone through the process, have gotten the record of decision, design, construct, it is probably 8 years, 8 to 10 years, and there are many airports around the country that have spent 12, 14, 15 years, and longer, but I think with an aggressive schedule, maybe 8 years.

Senator BURNS. In other words, we just cannot turn the switch and all at once we have got capacity, because I really feel, you know, slots are not the problem here. I think gates are a problem. We can sort of adjust our landings, and maybe extend the peaks and everything, but it is just the capacity of the airport to handle that many passengers.

I still say, if you want to report on time, that reflects the true nature is gauge your on-time landings and arrivals, rather than on departures, and you will find out that we are running a little bit later than even the figures we have now, even though they give you the 20 minutes to back away from the gate. I think that gives a true measure of what we are going to do, and maybe from that, maybe from those figures, FAA and those people can come up with more of a realistic en route control, and also the control of the slots.

So I do not have any other questions. I have a brief statement. I would like to put that in the record, but I know it is a very tender thing, these delays, especially with this Subcommittee, because we all fly, and just like I say, one of these days I am going to write a book.

Thank you, Madam Chairwoman.

[The prepared statement of Hon. Conrad Burns follows:]

PREPARED STATEMENT OF HON. CONRAD BURNS,
U.S. SENATOR FROM MONTANA

Thank you, Mr. Chairman, I'll make my statement brief this morning. Although I commend my colleague for her legislation, I remain convinced we must be very deliberate in our actions on aviation issues.

We have a responsibility to the nation to find solutions to problems in areas that don't always benefit from a "one size fits all" solution. Aviation issues are no different.

Addressing the issue of peak hour pricing at all large airports may resolve the problems we have at specific airports like LaGuardia. But, an unintended consequence may be the exacerbation of problems at other airports including non-hubs and rural airports.

I advocate solutions to specific problems. We should work with the FAA, the airports and the airlines to solve these problems on a case by case basis.

Commuter aircraft and general aviation (GA) aircraft feed our national system. The direction of Congressional policy must reflect the needs of rural America as well as the challenges we are facing at our hub airports.

Thank you Mr. Chairman.

Senator HUTCHISON. Thank you, Senator Burns.
Senator Cleland.

**STATEMENT OF HON. MAX CLELAND,
U.S. SENATOR FROM GEORGIA**

Senator CLELAND. Madam Chairwoman, thank you very much. I want to applaud the Senator from Montana for the radical notion, the extreme revolutionary notion that on time means arriving on time. It is revolutionary as far as I am concerned. Amen.

[Laughter.]

Senator CLELAND. I want thank you all for coming.

Ms. Susan McDermott, let me just say, it is my understanding that between 1991 and 1999 only five new runways were added to the Nation's 29 largest airports. Clearly we are pushing the envelope in terms of the capacity of our infrastructure. We all understand that.

I would say to you that it is critical that the airport in Atlanta, Hartsfield, which is the busiest and most delay-impacted airport in the world, get a desperately needed fifth runway. It is fascinating to sit here and hear our dear friend, Mr. Fegan from DFW, talk about adding an eighth runway. We only have four runways, and we are the busiest airport in the world. DFW, Chicago-O'Hare, Denver International all have five or more runways. In 2005, with 100 million passengers expected, and four runways at Hartsfield, it is projected that each flight at Hartsfield will be delayed an average of 14 minutes.

As we all know, when Atlanta gets a cold, the rest of the Nation gets the flu. Everybody has to go through Atlanta. With five runways, though, that flight delay is expected to be cut dramatically to about 5 minutes on the average. I think, if we can add this fifth runway, that we can benefit passengers not just in the Southeast, but around the country.

AIR 21 dramatically increased funding for the FAA to spend on new runways. I hope we can count on your Department's help in expediting Hartsfield's critically needed fifth runway. Would you like to respond to that?

Ms. MCDERMOTT. Thank you for bringing to our attention the important issues regarding Hartsfield. Indeed, you are quite right, the importance of Hartsfield to the network concept of air transportation today does make it very important to the free flow of the rest of the system to the entire country. We are sensitive to that.

I understand that for the fifth runway, work at the FAA is well underway. A draft environmental impact statement was issued in December of 2000, and that should be finalized as comment is received by the parties affected. We take very seriously your request that this be looked at and moved at the Federal level as quickly as it can be.

Senator CLELAND. Thank you very much.

Ms. MCDERMOTT. Thank you.

Senator CLELAND. Mr. Merlis, Mr. Ken Mead, the Inspector General, testified last September that one outcome of the hub and spoke system is the so-called banking of flights into sizable departure and arrival pushes. In other words, a ganging up of aircraft in the sky for a very limited amount of time on the ground, pushes at most of the major airports. Such pushes, he stated, put demands on the air traffic control center system to efficiently manage the flow of traffic, obviously.

Currently, Delta is operating 10 banks a day at Hartsfield, during which time, an average 90 flights an hour land and depart from Atlanta, again, on just four runways. In an effort to address overscheduling, on April 1 of this year, Delta will voluntarily spread the flights over the course of the day to 12 banks, each averaging 75 flights an hour.

What kind of impact do you think such voluntary approaches can have on the system, and in the case where other carriers service the same airport, do you think this kind of voluntary action can still be effective?

Mr. MERLIS. Yes, I do. I think it is very important that carriers be mindful of the necessity to improve the reliability of their schedules, so the action taken by Delta, and similar action, or a parallel kind of action was taken by American in Chicago, in which instead of running planes through the entire circuit, it dedicated planes into and out of the Chicago hub, thereby increasing the reliability of on-time performance.

I think various carriers are looking at alternative ways of improving their on-time reliability by doing things such as the de-peak, spreading the amount of time in a connecting complex, and those will go a long way toward solving these kinds of near-term problems. The long-term problems still have to be solved through the combination of air traffic control and airport capacity expansion.

Senator CLELAND. Thank you very much.

May I say, Madam Chairwoman, that the Senator from Montana was onto something, something that I have thought about for a while, and have addressed to Mr. Ken Mead when he has been before this Subcommittee, and that is, the definition of on-time for me as just a consumer, on-time means you depart the airport on time and you arrive on time. It does not mean you just leave the gate and sit out on the tarmac for an hour.

So maybe in this question of overscheduling, we can at least get a realistic definition of what on-time really means.

Thank you, Madam Chairwoman.

Senator HUTCHISON. Thank you. Senator Cleland, I think that is one of the key points. There are all of these schedules for flights that appear to be at the same time, when you know you have five runways and you have got 10 scheduled departures at 8:15, you know it cannot happen.

One of the things that our bill attempts to address is on-time departure would mean a plane that takes off within 20 minutes of the advertised time, rather than what we have now, which is allowing the plane to leave the gate so it is listed as "on-time," but, as you said, it sits on the tarmac for an hour. So we are trying to take that into consideration. Then with the other bill that we marked up in this Subcommittee a couple of weeks ago, an airline would have to tell the customer when they call for the ticket that this is a chronically late flight—then you are beginning to empower the passenger. Thank you for bringing that up.

Senator Ensign.

**STATEMENT OF HON. JOHN ENSIGN,
U.S. SENATOR FROM NEVADA**

Senator ENSIGN. I thank the Chairwoman, and especially for the efforts on this whole issue. This reminds me a little of campaign finance reform, in that Senators know a lot about this simply because we have a lot of personal experience with this, and maybe that is a dangerous thing.

But I want to toss a question out, kind of a general question out to the panel and that is, with some of the fixes that we have here, some of the talking about scheduling and trying to improve the schedules, is it even possible, as we see the projected growth in the airline industry and the demand for flights, the demand for passenger seats, without building new airports, or at least what looks like—we have one scheduled to be built. It might be the only major new airport being scheduled to be built—it is in Nevada—in the next 10 years. Without at least rapid, or at least fairly significant expansion of our capacity, is it possible to take care of this problem?

Mr. MERLIS. It is going to be difficult. There is no question that it will be difficult. Even with this legislation and environmental streamlining, I think we have to be cognizant of the fact that local opposition to airport projects that right now finds its expression in the environmental process is going to shift to some other fora, which is why in the oral statement I gave I said we have got to think boldly, and environmental streamlining is important. But we may have to go beyond that if we are really going to get the kind of growth in system capacity that is truly necessary.

Senator ENSIGN. And this environmental streamlining that is in the Chairwoman's bill, is this something that you think—how much time is going to be taken off the process by this?

Mr. MERLIS. I think it would be better for one of the airport people who have gone through it much more intimately than I were to describe that.

Senator ENSIGN. OK.

Mr. MERLIS. Well, it is always hard to tell exactly how much time. It really depends on the level of opposition, but I would expect that a really concerted effort by the FAA on these critical projects and the legislation that is being considered, you might see as much as 2 years be taken off of the 8-year process from beginning to end.

Mr. BARCLAY. If I could add, I would like to see a debate about Congress putting on a specific deadline, put on a 3-year process, statute of limitations for debate on these, if it is a project that is identified as a key national interest for meeting the capacity needs of the system, and again, say in the same legislation, we are not changing any environmental standards.

All the standards that are there get applied at the end of the process, but we need to have something specific that other people can come back and say, that number is not reasonable for some reason, but we need to get to a finite conclusion, because we need to add over the next decade the equivalent of 10 DFWs in order to handle the passengers that are coming.

Now, we do not have to add 10 new airports, but we have to add that kind of capacity to the system, or we are going to be in gridlock.

The good news is, as we have said in our statement, as Senator Rockefeller noted, the difference between gridlock and no gridlock is about 50 miles of runway nationwide. If we can add one 2-mile runway at each of the 25 congested airports, that pretty much winds up doing it for you from what we can see of the demand, so it is not such a huge problem that we cannot focus on it and get it done. But it does require us to put limits on these never-ending debates about folks wanting to game the procedures and never having to argue over the environmental standards.

Senator ENSIGN. Just to follow up on that, we have out there obviously a lot of opposition. How do you propose us dealing with that, to make it something reasonable that we are not harming the environment, because this really is a lot of perception.

If those flights are coming over your house, it is harming your environment. But if you are the person that is having to land at that airport, it is causing you a lot of delays, and frankly, you have to think about the airplane sitting on those tarmacs all that time. Does that not increase pollution as well? There are some competing factors here.

Mr. BARCLAY. The issue is, can we get a yes or no? We have got about 14 runways from communities that have already decided at major airports they want to add the capacity, and so far we have not even been able to speed those up.

One of the proposals that we have in our legislation is to give airports the same rights that we have given pharmaceutical companies. If they want to speed up a drug examination at FDA, they can pay added cost for added people at FDA to speed that process up. We are asking for that same kind of right for airports to do that, because the major airports would be happy to fund an environmental biologist at San Francisco, because they are looking at building a runway into the bay and getting that process moving.

To your point, though, if we can put a no at some of these places, and we find communities that do not want to add, and it does not meet the standards, we do, because we run this network system where we connect the passengers, many of these markets we can move future connecting banks to other airports if we know that we cannot put any more into one of the major airports that is now connecting airport, so there is some fungibility in the system for the connecting passenger element.

That will not solve the problem at LaGuardia, where you have O&D passengers, but we can move ahead if we can get decisions. Our problem has been this never-ending debate rather than getting a yes or no on the go, no-go decision.

Senator ENSIGN. Thank you.

Senator HUTCHISON. Thank you, Senator Ensign.

Mr. Fegan, one of the great reasons for having a hearing is that sometimes you can learn things that add to the ability for us to address an issue, and your suggestion that the passenger facility charge be used for gates is one that I think has merit.

I am going to go back and do the research to determine if there would be any problem of crowding out the capacity of that pas-

senger facility charge by allowing this provision. If not, however, I will discuss it with Senator Rockefeller, the co-sponsor of the bill, as I am inclined to see about adding that provision to make it more feasible for communities to add that gate space. It seems to me this is one of the issues we are trying to address, so I thank you for that.

For the record, I want to follow up on one point in your testimony. You referenced a requirement for States, when they draft their regional air pollution reduction plans, to accommodate capacity-oriented proposals for critical hub airports. Could you explain how that would work, and what discretion the State could retain over the details of building a new airport, or new runways?

Mr. FEGAN. Thank you, Madam Chairwoman. In order for the States to abide by the Clean Air Act, they are required to implement a State implementation plan, and within that State implementation plan they allocate certain levels of pollutants to all the different sources that exist in the State.

We have found that over the years, in a number of States around the country, that the State implementation plans simply did not allocate enough emissions to allow airports to go through the natural growth as well as to accommodate the construction impacts, and so the EASE program, one of the provisions, and one of the things that we certainly would support, would be to essentially ask the States to ensure that airport facilities are given adequate level of emissions budgets so that they can have their natural growth as well as accommodate construction.

Again, that is completely up to the State at this point in time, and if the State chose not to add or allow for the budget to be adequate enough for the airport to continue to grow, you could not get a general conformity letter which would allow you to have approval for a runway or for a terminal. So again, the States are in a position where they could actually stop the growth of an airport simply by not allocating enough emission resources.

Senator HUTCHISON. But you propose to address that State by State in your plan by going to the State and saying "make this a priority." Is what you are really saying?

Mr. FEGAN. I think there may be some room or some opportunity for this legislation to actually require States to look at that, and to see if they can accommodate the emissions from airports, otherwise the airports simply will not be able to grow.

Senator HUTCHISON. Thank you, we have not addressed that issue, although in the study that we are asking the Secretary to make each year, it could be a part. But perhaps we could look at addressing it even sooner.

Mr. Swanda, I would like to ask you about one of the issues that you discussed, and that we have certainly addressed: the issue of smaller general aviation aircraft at the major hubs, which have tension, because that is a take-off and landing slot. I want to ask if you think we should really be focusing efforts for major hub areas to have regional airport plans that would look at the needs of the traveling public and the cargo possibilities or requirements? Should we try to plan the airports in the region to best accommodate the particular needs, whether it is general aviation, cargo, long haul service, or regional service?

Do you think we should ask these major hub areas to come forward with regional plans that would make sure we address the issues you are concerned about, but also alleviate some of the clog of major long haul airports that we are finding?

Mr. SWANDA. Well, the short answer is yes, and in fact, many airports have such reliever airport systems within their purview. One of the problems sometimes is that the airports that are effectively relievers for that major airport could be in several different jurisdictions, and it may not be an adequately coordinated process.

In some States like Texas, around DFW, they have a very excellent reliever airport system that has been coordinated by the State.

I think another important piece of this, however, is the fact that it may be possible to improve facilities even at congested airports by ensuring they have parallel, independent operations for smaller aircraft. Some airports have shorter runways and some do not. Those that do offer access to the smaller aircraft, whether it be general aviation aircraft, or commuter aircraft, to operate into that airport and connect with the airlines that are providing service from that airport.

So it is a multidimensional answer, but I think the short answer is yes, indeed, we do need to have a better regional coordination of the total airport capacity in those congested areas.

Senator HUTCHISON. Thank you.

Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Madam Chairwoman. I am just struck that we are having conversation here on speeding up landings and take-offs and expanding capacity.

I am thinking in my mind that the crisis we are discussing probably has more impact on the economy and on the flow of American life than almost anything else, other than larger national security subjects, and I really mean that. For example, when I look at general aviation, people think of general aviation and they just think, well, that is people with lots of money getting to places that they can afford to get to because they have general aviation.

Well, if you come from a State like West Virginia, or rural parts of any State, general aviation is often the only way that a person can travel, are limited sources of transportation in these rural areas. A decision about where the plant will be placed, or the investment will be made, or a plant will be closed down, or whatever, will be decided on the location of general aviation. Executives are not going to build where they cannot fly into. In some ways, what we are talking about has, I believe, has already surpassed the highway system in importance in this country.

The highway system is in place, and I think the need for colleagues to understand the incredible importance of what we are discussing is critical. It is not just a matter of delay and inconvenience and passenger anger, although it is that, too, but it is literally the economic future of the country.

So having said that, one of the issues at stake is the so-called peak pricing. I know there are different views. What I would like to do is to get a sense from some of you about how you think the peak pricing would affect smaller, more rural airports such as the ones that I represent. In effect, we all represent in different rural areas of our respective States.

Ms. MCELROY. Senator, you have found an issue that is near and dear to our heart, because as I mentioned, there are 271 airports in the United States that depend exclusively on regional airlines for their access to the transportation system. Those airports are served by aircraft from 19-seat to 68-seat in the turbo prop range, and in general, 30 and 50-seat regional jets, and these aircraft would be disproportionately affected by the schemes that are under discussion, significantly raising the price of the tickets for passengers in those communities.

Senator ROCKEFELLER. Explain how that works, in your judgment.

Ms. MCELROY. It is my understanding, and again it is a bit like chasing smoke in that we do not have a formal proposal to discuss, but in theory, we have been told that a surcharge would be placed on each aircraft operation during a specified period, and that surcharge would then be added to the existing landing fee.

Let us say it is \$5,000, for lack of a better example. Let us say it is \$5,000. The ability to recover that surcharge on a 30-seat aircraft or a 50-seat jet is significantly different than recovering that on a 300-seat aircraft. As you know, as you increase prices, especially in some of the smaller communities where you have fewer people to absorb those increases, you see a decrease in traffic, it is a roller coaster if you will, that keeps going forward until you might see elimination or reduction of that service.

We hope that the policymakers recognize the importance of access for these communities, not only for origin and destination, going to the cities to do their business and getting back that same day, which is cost-efficient for them, but also their ability to connect to the major carrier so they can continue on their journey.

Our schedules are well-timed with the majors to allow that convenience for the passengers, and so we need to keep in mind, as Mr. Barclay said, the net system, and the impact on small communities.

Senator ROCKEFELLER. Any other comments on that?

Mr. SWANDA. Senator, I would just like to add that in the broader public policy perspective, by putting these sorts of bans, effectively a ban on smaller aircraft at the big airports, we force people onto the road system. I wonder, in a broader policy sense, is that really the safest alternative for us to do that, to create more problems on the highway system in order to relieve congestion at the airports?

Our solution has been to increase the capacity at these airports to accommodate the demand, not to force people to go another travel mode.

Senator ROCKEFELLER. I thank you both for that. My final question has to do with new technologies, and I know we have Free Flight Phase 1, et cetera. Maybe I should direct this to you, Mrs. McDermott. What technologies are we putting in place, and what ones might be around the corner which could help, in and of themselves, this congestion problem we are discussing?

Ms. MCDERMOTT. Thank you. The FAA is currently working very closely with the OST and other interested parties in looking at every possible mechanism that is useful for alleviating congestion both in the near term and the long term. When that review is fin-

ished, we will be able to give you a very broadbased list. There is no question that there could be increases in the types of technology, Free Flight, as you mentioned, that could put some incremental additional capacity into the system in the near term.

I think we need to look at it in a multifaceted way, in terms of airport construction, which may be more long-term, and in terms of short-term management. As much as we may need new runways, and concrete is going to have to be poured, there is no question that the year 2001 is here now and the year 2005 is coming upon us quickly. We have to look at it in many different ways.

The near-term is perhaps not as optimal, but there have been important technological advancements. Specifically, which ones may be better deployed for near-term uses is something that the Department will be able to report back to the Subcommittee when we finish the report.

Senator ROCKEFELLER. So you would agree that expansion of capacity is fundamental, the so-called 50 miles that is needed is fundamental, and the gateways are the fundamental problem, and new technologies are incremental in the way they can improve the situation, and have to be included in all of this?

Ms. McDERMOTT. Absolutely.

Senator ROCKEFELLER. And they are coming along?

Ms. McDERMOTT. Yes, they are, Senator.

Senator ROCKEFELLER. OK. Madam Chairwoman, I want to thank you for holding this hearing. Again, I think aviation is just an incredibly dominant subject in American life, and one which we do not pay enough attention to, but you do, and I am delighted that you are Chairwoman.

Senator HUTCHISON. Thank you, Senator Rockefeller, and I appreciate the line of questioning.

I just have two further questions.

Mr. Merlis, I wanted to ask you this. It has been said by some of the airline representatives that their scheduling practices have not contributed to this problem. Do you really believe that?

Mr. MERLIS. I think to the extent that scheduling is a problem, it is a smaller part of the problem than are the other elements that have been discussed today.

Scheduling peaks above nominal airport capacity, while not nonexistent, are not the major cause. According to the FAA's own data, less than 10 percent of the delays are due to volume, volume being a surrogate for scheduling, so you can take a look at data.

For example, Memphis, Miami, Pittsburgh, Salt Lake City, Charlotte, and Detroit, do not have any part of the day in which they are above capacity, yet delays per departure for those airports range from 5.08 minutes to 9.74 minutes. That means it is not scheduling, it is the air traffic control system, it is a variety of other factors, not the carriers' scheduling.

So in other places I will agree that individual carrier decisions which do not exceed capacity, when collectively put together, may result in stresses in the system beyond that which it can handle in that particular time period.

Senator HUTCHISON. I just want to make sure that we fix the capacity problems. I also think the airlines are going to have to step up to the plate and not overschedule; not put more take-off times

than can be accommodated at an airport. I want to work together on this. But I do want to make sure that there is no denial that all of these things contribute to the problem. We are going to try to fix all of them for the ease of the traveling public, but it is important that we take the responsibility for all of the different areas that are not operating efficiently right now.

My last question is for Ms. McDermott. I just want to ask you one other question, because I cannot get it out of my mind that DFW airport is trying to build a new runway. There has been a preapproval of the eighth runway, and yet we are looking, according to Mr. Fegan's testimony, at probably another 2½ years for the recertification of the runway that has already been certified.

Is there something you can do without legislation that would expedite recertification. I do understand that there might be different circumstances in the last couple of years that would change the air pollution situation, but surely, with the basic information already gathered, you could expedite the environmental impact statements. Perhaps, it is the EPA that could expedite the statements. But is there anything you could add to this possibility?

Ms. McDERMOTT. Well, I will take this particular example and explore it with the FAA as to where they are in the procedure.

In general, when an airport project is underway, it takes the FAA approximately 3 years to do the initial environmental impact statement. After that comes the local process that is required. The permits, the licenses, and any other authorities that are needed to actually begin to break ground are predominantly in the local jurisdiction.

After that process, or concurrently, may come several of the challenges, the legal challenges to some of the findings. Where the Dallas/Fort Worth project is exactly in the Federal system of approvals for getting the runway underway, I will research for you and have someone contact the Subcommittee.

Senator HUTCHISON. Thank you.

Is there anything that anyone would like to add before we close the hearing? If not, I thank you very much. You have added to our base of knowledge. I hope we will have a markup on this bill very soon, so that we can add it to the first one we passed on communicating with the passengers. This is something that would really make a difference in our air traffic control system and our airport capacity.

Thank you very much.

[Whereupon, at 11:58 a.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. JEAN CARNAHAN,
U.S. SENATOR FROM MISSOURI

Madam Chairwoman, thank you for convening this hearing on this critically important subject.

I am extremely concerned about the current state of our aviation industry. In particular, the frequency of delayed flights and the corresponding rise in customer dissatisfaction are particularly troubling.

I am pleased that this Subcommittee acted last week by sending the Airline Customer Service Improvement Act to the floor. This is an important step to begin addressing some of the factors that lead to customer dissatisfaction.

A truly comprehensive approach to satisfying customers, however, *must* address the real problem—aviation delays.

A number of different factors contribute to the problem of flight delays, and unfortunately, I foresee no easy solutions.

One reason for the current delay problem is that there are simply more people flying than ever before. Today there are over 65 million flights a year carrying over 670 million total passengers. Furthermore, the FAA recently forecasted that there would be 1.2 billion passengers flying by 2012. We can only expect our delay problems to worsen as the skies become even more congested.

We must act *now* to address these problems. Failure to do so will only contribute to the severity of the situation in the future. I applaud Senators Hutchison and Rockefeller for their leadership on this issue.

I believe that they recognize, as I do, that a comprehensive approach will have to attack the problem on a number of fronts including scheduling, the Air Traffic Control system, and perhaps most importantly, infrastructure capacity. I look forward to working with them and the other Members of this Subcommittee to address these important concerns.

PREPARED STATEMENT OF HON. OLYMPIA J. SNOWE,
U.S. SENATOR FROM MAINE

Thank you, Madam Chairwoman. I appreciate the opportunity to focus on this issue, because I am deeply concerned about the future of the U.S. aviation and air traffic system.

Flight delays are literally out of control and consumer confidence is at an all time low. This is our wake-up call, and modernization is critical. After all, by some estimates, air traffic congestion is expected to grow by upwards of 50 percent through 2008, and over 100 percent by 2015. I do not believe that we are currently prepared to handle growth of this magnitude.

I know that the Chair of the Aviation Subcommittee is developing legislation to address delay-related issues, and I commend her for tackling this. I know the option of peak hour pricing *had been* considered, but I understand that the Chair has removed the reference to peak hour pricing from her legislation. Nonetheless, I am concerned about the issue because peak hour pricing has been in the past and is now being considered as a possible solution to the congestion problems at Logan International Airport in Boston. We must ensure that rural small and medium size communities are not jeopardized. A recent FAA/Massachusetts Port Authority runway expansion environmental impact report included a possible proposal to charge airlines higher prices for flights departing or landing at Logan during peak traffic hours in order to ease delays.

I am very concerned that this would force airlines to reduce flights or shift flights to off-peak times in order to avoid the peak scheduling fees. If this happens, the first casualty will be small communities, and this is unacceptable. Small and medium size communities in Maine rely heavily on service to Boston as a gateway to other destinations. In addition, many travelers destined for Portland, Bangor, or

Presque Isle, Maine must connect through Boston to reach those communities. Reduced Maine-to-Boston service would not only make travel more inconvenient and expensive, it could also undermine the economy and economic development efforts throughout the State, which rely heavily on dependable, convenient, affordable air service.

I believe that we need to carefully evaluate the impact of such proposals on small community air service, as well as the impact on feeder traffic into large city airports like Logan, which the airlines need in order to make a hub city successful. In Maine, thousands of passengers rely on the Boston gateway. At the Bangor International Airport in Bangor, Maine, for example, 97 percent of Bangor passengers connect through Boston. In Presque Isle, Augusta, Rockland, and Bar Harbor, Maine, 100 percent connect through Boston.

The Boston Logan gateway is absolutely critical to Maine. A 1994 report issued by the Maine Department of Transportation on the importance of commercial air service to the State concluded that restricting access to Boston could cost Maine tens of thousands jobs, millions in payroll, and billions in sales.

I believe that we need to look at the big picture, and cutting off small communities is not the answer. Some of the problems in the air traffic system are caused by factors beyond our control, such as weather. Other factors, including antiquated technology, capacity and how we manage capacity, and bureaucratic management—or mismanagement—can and must be addressed.

To this end, the FAA has in recent decades developed modernization initiatives to improve its programs and upgrade its systems. However, these efforts have been plagued by chronic cost and schedule overruns, due at least in part to what many believe was an overly ambitious strategy.

The FAA and industry certainly face enormous challenges as they attempt to keep pace with the rapid changes taking place in civil aviation, but we must do better than we have done. Between 1995 and 1999, delays were up from 11 to 58 percent of flights, and in 1999 alone, the *length* of the delays rose 18 percent. From 1995 to 1999, ground holds of 1 hour were up 130 percent, and delays of 2, 3, or 4 hours were up even more. Cancellations were up 68 percent. And yet, the FAA and the airlines can't even agree on what is causing the delays, often pointing the finger at each other.

We need to move beyond the finger-pointing, and beyond the simple “band aid” approaches. We need to get together and get to the bottom of this. If these problems are not addressed soon, the air traffic system will not be able to keep pace with consumer demand, leading, I believe, to higher prices and greater consumer dissatisfaction—not to mention increased pressures on safety. We simply cannot afford to allow this to happen. Once again, I would like to express my appreciation to the Chair and my thanks to the witnesses for sharing their insights.

